PROCEEDINGS

OF THE

MADRAS

Chamber of Commerce.

January—December, 1928.

REPORT

OF THE

PROCEEDINGS

OF THE

MADRAS CHAMBER OF COMMERCE.

UNIVERSITY LIBRARY,
1 MAY 1949
MADRAS.

January—December, 1928.

MADRAS:

PRINTED AT THE "MADRAS MAIL" PRESS.

1929.

THE MADRAS CHAMBER OF COMMERCE

Established 29th September, 1836.

UNIVERSITY LIBRARY
17 MAY 1949
MADRAS

MEMBERS.—31st December, 1928.

Mr. A. W. Acres.
The Hon'ble Sir S. R. M. Annamalai Chettiar.
Mr. G. A. Bambridge.
Mr. S. A. Bird.
Mr. F. Birley.
Mr. C. Britten.
Mr. W. M. Browning.
Mr. G. Brunnschweiler.
Mr. D. J. Castelli.
Mr. G. A. Chambers.
Mr. H. F. Chard.
Mr. W. A. Cruden.
Mr. D. J. Dalgarno.
Mr. H. G. A. Eden.
Mr. Alan Fraser.
Mr. A. Fullarton.
Mr. W. H. H. Grahame.
Mr. A. Harvey.
Mr. J. C. Harvey.
Mr. H. F. P. Hearson, M.L.C.
Mr. H. Heer.
Mr. W. A. Hilliard.
Mr. J B. Hodgson.
Mr. A. J. Irvine.
Mr. S. Jackson.
Mr. J. F. Jones.
Mr. K. Kay, M.L.C.
Mr. D. King.
Mr. W. Lamb.
Mr. R. Lee.
Mr. A. J. Leech.
Mr. J. McIver.
Mr. R. H. Meredith.
Mr. M. A Muthiah Chetty.
Mr. A. W. Parsons.
Mr. W. W. Paul.
Mr. W. H. Peppercorn.
Mr. A. J. Powell.
Mr. C. D. Priestley.
Mr. D M. Reid.
Mr. P. Rothera.
Mr. W. H. Ruddle.
Mr. H. W. Russell.
Mr. D. B. Scott.
Mr. J. A. Shelley.
Sir James Simpson M.L.A.
Mr. Sydney Smith.
Mr. D. Stephens.
Mr. R. C. M. Strouts.
Mr. G. Underwood.
Mr. K. P. Warmington.
Mr. F. B. Wathen.
Mr. A. O. T. Webb.
Mr. W. B. White.
Mr. F. Willows.
Mr. J. H. Willson.
Mr. C. E. Wood.
Mr. W. O. Wright, M.L.C.

HONORARY MEMBERS.

Mr. R. D. Anstead, C. I. E.
Khan Bahadur Muhammad Bazlullah Sahib, C.I.E., O.B.E.
Mr. N. V. Raghavan.
Mr. H. Waddington.
Mr. H. S. Walton.
Mr. C. R. Watkins, C.I.E.

RETIRING COMMITTEE in 1928.

Chairman :
Mr. K. Kay. M.L.C.
Vice-Chairman :
Sir James Simpson, M.L.A.
Committee :
Mr. F. Birley.
Mr. W. M. Browning.
Mr. W. H. H. Grahame.
Mr. F. B. Wathen.
Mr. W. O. Wright, M.L.C.

OFFICE-BEARERS for 1929.

Chairman :
Mr. H. F. P. Hearson, M.L.C.
Vice-Chairman :
Mr. K. Kay.
Committee :
Mr. J. W. Macfarlane.
Mr. W. H. Ruddle.
Mr. R. C. M. Strouts.
Mr. F. B. Wathen.
Mr. W. O. Wright, M.L.C.

Mr. H. Waddington, *Secretary*.

The Imperial Bank of India, *Treasurers*.

IMPORTS SUB-COMMITTEE for 1929.

Mr. S. Jackson. Mr. W. H. Peppercorn.
Mr. W. O. Wright, M.L.C.

EXPORTS SUB-COMMITTEE for 1929.

Mr. J. W. Macfarlane. Mr. W. H. Ruddle.
Mr. R. C. M. Strouts.

THE SKINS AND HIDES SUB-COMMITTEE for 1929.

Mr. J. W. Macfarlane. Mr. W. H. Ruddle.
Mr. C. H. Straker.

FINANCE SUB-COMMITTEE for 1929.

Mr. W. A. Cruden. Mr. W. H. H. Grahame.
Mr. W. Lamb.

ARBITRATION AND SURVEY COMMITTEE.

Mr. D. J. Dalgarno.	Mr. W. H. Peppercorn.
Mr. W. A. Hilliard.	Mr. W. H. Ruddle.
Mr. S. Jackson.	Mr. R. C. M. Strouts.
Mr. J. W. Macfarlane.	Mr. J. H. Willson.

Mr. W. O. Wright, M.L.C.

MEMBERS OF THE

MADRAS CHAMBER OF COMMERCE

SINCE ITS FORMATION.

MESSRS.

Acres, A. W.
Agnew, Thos. Frederick A.
Ainslie, Charles Alexander
Ainslie, James
Alexander, C. G.
Alexandar, W.
Allan, Thomas Henry
Allardice, D.
Alwar Chetty, A.
Amalric, Jules.
Annamalai Chettiar, Sir S.R.M.
Anderson, A. R.
Anderson, G. A.
Anderson, James
Annan, D.
Anstead, R. D.
Arbuthnot, Archibald Francis
Arbuthnot, F. S.
Arbuthnot, George
Arbuthnot, George Gough
Arbuthnot, James Woodgate
Arbuthnot, John Alves
Arbuthnot, M. A.
Arbuthnot, Reginald J. H.
Arbuthnot, Sir William, Bart.
Arbuthnot, W. B.
Arbuthnot, Wm. Reirson
Arbuthnot, Wm. Urquhart
Arbuthnot, William
Armstrong, J. C.
Armstrong, R. L. W.
Arthur, S. A.
Ashton, T.
Aspinwall, John Hutchinson
Atkins, Frederick Thomas
Badsha Sahib, Hajee, M. A. H.
Bain, J.
Bainbridge, Joseph
Balfour, Mackintosh
Bambridge, G. A.
Barambeg, Nathaniel
Barber, Sir Fairless
Barrow, Joseph

MESSRS.

Bayol, Maurice
Bazlullah Sahib, Khan Bahadur, C.I.E.,
Beardsell, Sir William
Beeston, P. E.
Bell, Richard Barnes
Berry, John Henry
Best, Andrew Van Dunlop
Bethuen, James Lindsay
Bhimasana Rau, H.
Bice, A. E.
Bickell, F. W.
Bickham, W. S.
Biggs, Sir Ashley
Biggs, F. M.
Bill, Henry
Binny, William Scott
Bird, S. A.
Birks, William
Birley, F.
Bishop, F. J.
Black, G. W.
Black, J.
Black, John
Black, J. S. Campbell
Black, R. J.
Blaikie, Thomas
Bland, Frederick L
Bone, F. S.
Bonham Carter, Major R. E.
Borthwick, Francis
Bowden, Frederick Henry
Boyd, A. E.
Boyd, James Ritchie
Boyson, John Alexander
Bradley, E.
Bradshaw, A. B.
Bremner, D. S.
Brill, A.
Britten, C.
Brock, C. H. Major
Brown, Alexander Forrester
Brown, H. N.

Messrs.

Brown, I.
Browning, W. M.
Brunnschweiler, G.
Buchanan, A. F.
Burgess, J. W.
Burnett, William
Buss, L. C.
Byard, Alfred John
Cadell, George
Cammiade, Aime
Campbell, A. Y. G.
Campbell, H. N. C.
Campbell, Robert Orr
Campbell, William
Cardozo, Benjamin
Carmichael, Alexander
Carmichael, W. G. H.
Carron, W.
Carruthers, W. R.
Cartwright, Francis
Castelli, D. J.
Cator, Peter
Chambers, G. A.
Chambers, George Lawson
Chambers, G. W.
Chard, H. F.
Charles, A. D.
Chettle, H. H.
Chitty, W. T.
Clapham, A. L.
Collyer, H. N.
Corbett, Henry
Cornet, Gustave
Cotton, C. W. E.
Cox, John Henry
Crake, William Hamilton
Crake, William Parry
Cranswick, C. J.
Crichten, T. E.
Cromartie, R. D.
Crombie, David Alex. John
Cross, W. A.
Croysdale, Thomas
Cruden, W.
Crusha, J. W.
Cuddon, G. U.
Cunliffe, J. B.
Dalgarno, D. J.
Dare, John William

Messrs.

Davidson, A. H.
Davidson, John Henry
Davies, H.
Dawson, J. E.
Deane, A. H.
Deane, Barry O'Meara
Deane, George William
De Closets, Henri
De Colons, Albert
Denniston, R. D.
De Souza, Frank
Dickson, W.
Donaldson, W. J.
Donner, E. O.
Drew, W.
Duval, Stephen S.
Dymes, Daniel David
Dymes, Thomas Jameson
Ebrahim Sait, H. M.
Eden, H. G. A.
Ellis, John Utlay
Estill, Edward D.
Evatt, P. T.
Ferguson, Robert
Fischer, G. F.
Fischer, W.
Fletcher, H. A.
Fortune, John
Fowler, F. T.
Frank, Thomas Edward
Fraser, Alan
Fraser, Sir Gordon
Fraser, Sir Hugh
Fullarton, A.
Geddes, John Innes
Geisenberger, P.
George, Edward
Gerrard, Alexander
Gibson, W. G.
Giles, G. W.
Gillum, S. J.
Goffe, F. H.
Goodall, C. H.
Goodman, E. L.
Goolden, Joseph
Gordon, Henry E.
Gordon, William
Gough, Percy Bloomfield
Grahame, W. H. H.

MESSRS.

Grant, Sueton Daniel
Gravier, Gustave
Green, A. M.
Green, R. M.
Green, S. J.
Greenall, R.
Griffiths, Edward Card
Grove, Francis Hamilton
Guichard, Charles
Guigne, Albert de
Guyot, Honore
Halford, William
Hall, W. D.
Hallam, V.
Hanna, Francis B.
Hanna, H. B.
Harris, H. D.
Hart, William Hamilton
Harvey, A.
Harvey, J. Craig
Hawley, N. F.
Healy, J. S.
Hearson, H. F. P.
Heath, E. A.
Heathcote, Hacker R.
Heer, H.
Hegarty, W. J. K.
Helmer, Thomas
Hickie, A. D.
Hicks, G. H. T.
Hicks, Hastings
Hilliard, W. A.
Hilson, G. R.
Hird, C. C.
Hird, R. L.
Hodgson, J. B.
Holt, P.
Holmes, F.
Holme, H. R.
Holzach, Louis
Home, John
Hood, H. H.
Howard, Cosmo Richard
Hunter, Sir Bernard
Hunter, James Rose
Hunter, Robert
Huson, Arthur
Irvine, A. J.
Irvine, W. F. G.

MESSRS.

Jackson, A. D.
Jackson, George
Jackson, S.
Jacob, P. S.
Jaffer Mahomed Sait
Johnson, P.
Johnston, Lt.-Col. W. H.
Johnston, Robert
Jones, John
Jones, J. F.
Jones, T.
Kay, K.
Keenan, J.
Keith, James Buchanan
Kennedy, C.
Ker, J. D.
Kerakoose, H.
Kerr, Greig J.
Key, John Binny
Kidd, D.
King, D.
Kyd, John
Lamb, W.
Lane Ryan, A. W.
Langley, Edward
Latchminarasu Chetty, G.
Lecot, Edmond
Lecot, Edouard
Lecot, Frederick
Lee, R.
Leech, A. J.
Leighton, David Edmond W.
Lemesle, Louis
Leslie, Lt.-Col. Sir Bradford
Levick, C. F.
Liddell, William Byam
Lightfoot, J.
Line, John
Loch, John Charles
Logan, R. M.
Luker, F. G.
Luttrell, Gilbert
Lynde, W. A. G.
Lynn, J. L.
Lynn, V. G.
Lyttelton, S. C.
Macaulay, Zachary
Macbain, W. B
Macdonald, A.

Messrs.

Macfadyen, Patrick
Macfarlane, J. W.
Mackay, W. R. T.
Mackenzie, Alexander
Mackenzie, Donald
Mackenzie, R. T. H.
Maconechy, E. F.
Macrae, J. B.
Magniac, Br.-Gn. Sir Charles
Main, J.
Malan, C. H., I.C.S.
Marshall, G.
Martine, Henry
Martyn, H. A.
Matheson, J.
Maude, Augustus Robinson
Max, Miersch
Maxwell, John
Maxwell, Robert
Mayne, Frederick George
McCloughin, T. J.
McConechy, D. G.
McDoughall, Sir Alexander
McIver, Alexander
McIver, E.
McIver, J.
McKernan, R. L. C.
McLintoch, John
McMonies, W.
McTaggart, William
Melitus, Paul
Menzies, R. T.
Meredith, R. H.
Millar, A. J. F.
Millar, William Linham
Miller, Leander
Milne, J. L.
Milnes, H. A.
Minto, Geo.
Mitchell, G. W.
Mitchell, H. H. G.
Mitchell, J. F., I.C.S.
Mitchell, L. B.
Michell, R. V.
Moir, John Forbes
Moir, T. E., I.C.S.
Montburn, A. M. Gallois
Moore, H. B.
Morbey, H. L.

Messrs.

Morley, William W.
Morrison, M.
Morris, Edward
Moss, W. G.
Moubray, C. L.
Muir, P.
Muirhead, A.
Munro, George
Munro, W. Ross
Munsie, William Walker
Murdoch, J.
Murray, Sir Norman
Muthiah Chetty, M. A.
Narasimooloo Chetty, G.
Nelson, Henry
Newmarch, A.
Nicholson, J.
Nicholson, L. C.
Nicholson, William Keir
Nicoll, C.
Nixon, J. C., I.C.S.
Noone, H. V.
Norfor, Robert Wright
Norton, George
Noyce, F., I.C.S.
Ogden, A. W.
Ogden, H. G.
O'Singer, G. A.
Osgerby, W.
Ouchterlony, James
Padday, H. L.
Paddison, Sir George, I.C.S.
Panes, A. F.
Parsons, A. W.
Parthasaradiah, C. V.
Parthasarathy Naidoo, C.
Pater, Albert Foster.
Pater, George Frederick
Paterson, R. W.
Paul, A. S. S.
Paul, W. W.
Pavitt, A. J.
Peat, James
Pender, G. T.
Penn Simkins, W. G.
Peppercorn, W. H.
Phipps, C. E.
Pilcher, H. R.
Pollard, H.

Messrs.

Poppe, Edward
Powell, A. J.
Powys, Robert H.
Prest, C. W.
Priestley, C. D.
Priestley, N. G.
Pugh, David
Pugh, John
Pugh, Joseph
Rae, H. P. M.
Raghavan, N. V.
Ramaswamy Moodelliar, Rajah Sir S., Kt., C.I.E.
Ramanujam Chetty, Dewan Bahadur C.
Rasbotham, Dorning
Rayner, N. E.
Read, F. W.
Reid, D. M.
Reid, Edward Jervoise
Reid, M. F.
Reynolds, George A.
Rich, E. R.
Robert, Nicoll
Robertson, A.
Robertson, H. S.
Robertson, R. J. C.
Robilliard, Wm. Sandford
Robinson, A. L.
Robinson, A. L. C.
Robinson, James Duff
Robinson, Palph A.
Robinson, W. R.
Robinson, W. W.
Ross, Edward
Ross, Sir Mackenzie
Ross Johnson, D.
Rothera, P.
Rowbotham, C. S.
Ruddle, W. H.
Russell, H. W.
Rutherford, W.
Ruttenjee, Muncherjee
Salinger, Gustave
Salis, John Henry de
Saunders, Arthur M.
Scholl, A.
Scott, Arthur
Scott, B. C.

Messrs.

Scott, D. B.
Scott, Henry
Scott, H.
Scott, H. R.
Scott, James
Scott, K. H.
Scott, William
Scott, W. C.
Seth Sam, A.
Seth Sam, E.
Seth Sam, V.
Shand, T. Livingstone R.
Shaw, C. H.
Shaw, James Charles
Shaw, William Sissmore
Shelley, J. A.
Shelly, Captain A. D.
Shield, T. L.
Sidloo Chetty, G.
Sim, William
Simon, F. T.
Simpson, Clement
Simpson, Sir Clement B.
Simpson, Sir James
Simson, R. S. F.
Sinclair, H. D.
Siotis, A. G.
Skinner, I. M.
Slater, C.
Slater, J.
Smith, E. F.
Smith, J. M.
Smith, O. J.
Smith, Sydney.
Smith, William John
Somoosoondrum Chetty, P.
Sowden, Charles
Spalding, W. A.
Spencer, H. M.
St. Martin, A. Amand
St. Martin, Gustave F.
Steiner, E.
Steiner, Otto
Stephens, D.
Steven, James
Stevens, Peter
Stewart, T. A., I.C.S.
Stokes, L. E.
Stoney, E. W.

MESSRS.

Strachan, James
Straker, C. H.
Stranack, E. F.
Stranack, F. D.
Strange, A. B.
Strange, Lumisden
Strouts, R. C. M.
Stuart, D. A.
Symonds, Sir Alfred P.
Tawse, John
Taylor, J. L.
Taylor, J. W. R.
Taylor, Thomas Arthur
Taylor, William T.
Teroocawmy, C.
Thevdor, Simon
Thomas, E. F., I.C.S.
Thomas, G. A.
Thomas, J. C.
Thompson, H. J.
Thompson, James
Thompson, J. W.
Thompson, S. J.
Thornton, F. H.
Thummler, G.
Tod, W. H.
Todd, A. S.
Todd, R.
Tolputt, Henry
Town, H. S.
Trail, E.
Trevithick, F. H.
Truscott, S. D.
Tsolakidi, S. C.
Tuloch, J. G.
Turnbull, Stewart Robertson
Turnbull, W. J. U.
Turner, W. A.
Underwood, G.
Ure, W.
Vans Agnew, Charles E. P.
Vans Agnew, John
Vecchj, Achille P. de
Veeraperumall Pillay, P.
Vijayaraghavachariar, Sir T.

MESSRS.

Vincent, E.
Waddell, W.
Waddington, H.
Walker, G. K.
Walker, James Liddell
Walker, L.
Walker, Robt. Chillingworth
Walker, R. F.
Walker, William
Walton, H. S.
Warmington, K. P.
Wathen, F. B.
Watkins, C. R., C.I.E.
Weak, T.
Webb, A. O. T.
Wellington, George
Wellman, A. H.
West, H. C.
Westropp, A. S. A.
White, W. B.
Whitson, J.
Whitten, N. C.
Wigrah, W. A.
Williams, Edward
Willows, F.
Willson, J. H.
Wilson, H. W.
Wilson, J. C.
Wilson, T.
Wolf, E.
Wood, C. E.
Wood, C. W.
Wood, G. L.
Wood, R. C., I.C.S.
Woollam, W. D.
Worke, F. E. L.
Wright, W. B.
Wright, W. O.
Wyatt, S. L.
Yeats, F. H.
Yorke, A. J.
Young, John
Young, J. M.
Young, R. D.

---o---

CHAIRMEN

1836	Mr. John Alves Arbuthnot.
1837	Mr. John Alves Arbuthnot. Mr. John William Dare.
1838	Mr. John William Dare. Mr. William Scott Binny.
1839	Mr. William Scott Binny. Mr. John Line.
1840	Mr. John Line. Mr. James Scott.
1841	Mr. James Scott.
1842	Mr. James Scott. Mr. John Utley Ellis.
1843	Mr. John Utley Ellis. Mr. J. Ouchterlony.
1844	Mr. J. Ouchterlony.
1845	Mr. J. Ouchterlony. Mr. James Thompson.
1846	Mr. James Thompson. Mr. John Binny Key.
1847	Mr. John Binny Key. Mr. George Arbuthnot.
1848	Mr. George Arbuthnot.
1849	Mr. Henry Nelson.
1850	Mr. William McTaggart. Mr. William Urquhart Arbuthnot.
1851	Mr. J. Ouchterlony.
1852	Mr. Joseph Goolden.
1853	Mr. James Scott. Mr. J. Ouchterlony.
1854	Mr. James Scott. Mr. Robert Orr Campbell.
1855	Mr. Robert Orr Campbell.
1856	Mr. J. Ouchterlony. Mr. John Binny Key.
1857	Mr. William Hamilton Crake.
1858	Mr. John Vans Agnew.
1859-60	Mr. Henry Nelson.
1861	Mr. Alfred John Byard. Mr. William Reirson Arbuthnot.
1862	Mr. William Hamilton Crake. Mr. Robert Orr Campbell.
1863	Mr. William Hamilton Crake.
1864	Mr. Alfred John Byard. Mr. Henry Tolputt.
1865	Mr. Henry Tolputt. Mr. John Young.
1866-67	Mr. Alexander Forrester Brown.
1868	Mr. Alexander Forrester Brown. Mr. William Reirson Arbuthnot.

1869	Mr. Alfred John Byard. Mr. John Charles Loch.
1870-71	Mr. Patrick Macfadyen.
1872	Mr. Robert Chillingworth Walker.
1873	Mr. Alexander Forrester Brown.
1874	Mr. Patrick Macfadyen.
1875	Mr. Clement Simpson.
1876	Mr. Patrick Macfadyen.
1877	Mr. Patrick Macfadyen. Mr. John Jones.
1878	Mr. Alexander Mackenzie.
1879	Mr. Alexander Mackenzie. Mr. Patrick Macfadyen.
1880	Mr. Patrick Macfadyen.
1881-82	Mr. Clement Simpson.
1883-84	Mr. James Charles Shaw.
1885	Mr. John Alexander Boyson.
1886	Mr. George Gough Arbuthnot.
1887	Mr. S. R. Turnbull.
1888	Mr. S. R. Turnbull. Mr. D. Rasbotham.
1889-90	Mr. J. A. Boyson.
1891-92	Mr. S. R. Turnbull.
1893-94	Mr. J. A. Boyson.
1895	Mr. G. G. Arbuthnot. Mr. G. L. Chambers.
1896	Mr. G. L. Chambers.
1897	Mr. G. G. Arbuthnot.
1898	Mr. G. G. Arbuthnot. Mr. S. R. Turnbull.
1899	Mr. C. E. P. Vans Agnew.
1900	Mr. G. G. Arbuthnot.
1901-02	Mr. A. J. Yorke.
1903	Mr. G. Arbuthnot. Mr. H. Scott.
1904	Sir George Arbuthnot.
1905	Mr. A. J. Yorke.
1906-07	Mr. V. G. Lynn.
1908	Mr. A. J. Yorke.
1909	Mr. V. G. Lynn.
1910-11	Sir Hugh Fraser.
1912	Mr. A. D. Jackson.
1913	Sir Bernard Hunter.
1914	Sir Hugh Fraser.
1915-19	Sir Gordon Fraser.
1920-21	Sir James Simpson.
1922	Sir James Simpson. Mr. W. Alexander.
1923	Sir Gordon Fraser. Mr. C. E. Wood.
1924-25	Sir Mackenzie Ross.
1926-27	Mr. C. E. Wood.
1928	Mr. K. Kay.

CONTENTS

PAGE

Bill to Reserve the Coastal Traffic of India to Indian Vessels.. 1
Bill to Amend the Indian Merchant Shipping Act, 1923 ... 3
Merchant Shipping Advisory Committee 7
Inland Steam Vessels Act, 1917 12
Indian Mercantile Marine Administration, 1928 15
Timings of the Ceylon Boat Mail Trains 22
Railway Rates for Petrol 24
Freight Rates on Foreign Railways... 31
Railway Freights on Groundnuts from Pollachi to Madras ... 32
Reduction of Railway Freight on Manures 41
Reduction of Railway Freight on Coal 48
Late Running of Mail Trains to Cocanada 51
Amendment of Rules Re: the System of Payment of Money Orders by Cheques 56
The Cable and Beam Services 58
Code Language 61
Hartal Riots 65
Government Competition with Private Enterprise 75
Arbitral Awards 81
National Research 89
The Indian Merchandise Marks Act, 1889 91
Indian Patents and Designs Act, 1911 92
Registration of Trade Marks 93
Trade Disputes Bill 94
Bill to Amend the Indian Penal Code (Re: Trade Union Registration) 99
Protection of Workers Employed in Loading and Unloading Goods and Coaling Ships at Docks, Wharfs, etc. ... 103
Protection against accidents to Workers employed in Loading and Unloading Ships 105
Prohibition of Employment of Women in Underground ... 107
International Labour Conference, Geneva 110
The Indian Accountancy Board 114
Reserve Bank of India Bill 117
Endorsements on Demand Drafts by Banks 118
Interest Bill 129

	PAGE
Amendment of Provident Funds Act, 1925	130
The Insolvency Act	132
White Oil	141
Match Industry	143
Sale of Tea Unfit for Human Consumption	150
The Expression of opinion upon Legislative Measures ...	153
Representation of the Associated Chambers on the Legislative Assembly	158
Delhi-Simla Office of the Associated Chambers	160
Refund of Income-Tax	163
Indian Income-Tax Rules: Certificates on Dividend Warrants	167
Income-Tax—Secrecy	171
Income-Tax—Unappropriated Depreciation Allowances ...	173
Supply of Information Regarding Dividends	176
Income-Tax on Commissions	177
Gradation of Super-Tax	179
Services of Accountants	181
Exports Duty on Raw Hides	183
Tariff Valuation on Raw Hides and Skins	189
Alteration of Headings in Tariff Valuation Schedules ...	190
Import Duty on Artificial Silk Mixtures	194
Import Duty on Patent and Proprietary Medicines... ...	195
Monthly Statement of Imports and Exports	197
Late Mr. W. J. K. Hegarty	198
Madras Commercial Holidays, 1929	200
Balance Sheet	201
Rules and Regulations	203
Madras Tonnage Schedule	223
Schedule of Landing Charges at Madras	225
Madras Rates of Agency and Commission	228
Sundays and Charter-Party Holidays in Relation to Mercantile Contracts	231
Non-Weather-Working Lay Days in Madras	232
Carriage of Goods by Sea Act, 1925	232

ANNUAL MEETING

The Minutes of Proceedings, at the Annual General Meeting of the Chamber of Commerce, held on Tuesday, the 11th December, 1928, at the Offices of the Chamber, Mercantile Bank Buildings, 1st Line Beach, Madras. The following members were present: Messrs. K. Kay, M.L.C., F. Birley, W. M. Browning, W. H. H. Grahame, F. B. Wathen, W. O. Wright, M.L.C., The Hon'ble Sir S. R. M. Annamalai Chettiar, Messrs. G. A. Bambridge, S. A. Bird, H. F. Chard, W. A. Cruden, A. Fullarton, H. F. P. Hearson, M.L.C., J. B. Hodgson, W. Lamb, R. Lee, A. J. Leech, A. W. Parsons, W. W. Paul, W. H. Peppercorn, A. J. Powell, C. D. Priestley, D. M. Reid, W. H. Ruddle, R. C. M. Strouts, K. P. Warmington, W. B. White, J. H. Willson, C. E. Wood, C. R. Watkins, C.I.E. Also by invitation Mr. M. Jamal Mahomed, President, Southern India Skin and Hide Merchants' Association, Mr. C. Abdul Hakim, President, Southern India Chamber of Commerce, Mr. R. Lescher, Chairman, United Planters' Association of Southern India, Mr. J. M. South, Representative of the Cocanada Chamber of Commerce, Mr. H. S. Walton, Chairman, Madras Trades Association, Mr. A. G. Rice, and Lt.-Col. C. H. Brock (*Secretary*).

CHAIRMAN'S ADDRESS.

Representatives Welcomed.

Before proceeding to the business of the meeting I have very great pleasure in welcoming you on behalf of the Chamber the following delegates and visitors who have been able to accept our invitation to be present to-day:—Mr. C. Abdul Hakim, President, Southern India Chamber of Commerce, Mr. Jamal Mahomed, President, Southern India Skin and Hide Merchants' Association, Mr. R. Lescher, Chairman, United Planters' Association of Southern India, Mr. H. S. Walton, Chairman, the Madras Trades Association, Mr. J. M. South, the Representative of the Cocanada Chamber of Commerce. The South Coromandel Chamber of Commerce has asked Mr. Hearson to represent them at this meeting.

OFFICE-BEARERS FOR 1929.

The list of Office-bearers elected for the current year was then read to the meeting by the Secretary, as follows:—

Chairman.—Mr H. F. P. Hearson, M.L.C.

Vice-Chairman.—Mr. K. Kay, M.L.C.

Committee.—Messrs. J. W. Macfarlane, W. H. Ruddle, R. C. M. Strouts, F. B. Wathen and W. O. Wright, M.L.C.

Arbitration and Survey Committee.—Messrs. D. J. Dalgarno, W. A. Hilliard, S. Jackson, J. W. Macfarlane, W. H. Peppercorn, W. H. Ruddle, R. C. M. Strouts, J. H. Willson and W. O. Wright, M.L.C.

Imports Sub-Committee.—Messrs. S. Jackson, W. H. Peppercorn and W. O. Wright, M.L.C.

Exports Sub-Committee.—Messrs. J. W. Macfarlane, W. H. Ruddle and R. C. M. Strouts.

Skins and Hides Sub-Committee.—Messrs. J. W. Macfarlane, W. H. Ruddle and C. H. Straker.

Finance Sub-Committee.—Messrs. W. A. Cruden, W. H. H. Grahame and W. Lamb.

Gentlemen,—We are met to-day in the shadow of great national anxiety on account of the grave illness of H. M. the King-Emperor. We have watched from afar the long struggle that His Majesty has fought and it was with profound relief that we received the news of the last few days which suggested that His Majesty's condition showed some signs of having taken a turn for the better and that the strain of the past three weeks was gradually being lifted. But the latest accounts indicate that the situation is very grave and we await further news with deep anxiety.

United throughout the Empire in a common bond of loyalty and devotion that knows neither politics, race, nor creed, we can only pray for His Majesty's safety and that his health may be speedily restored.

Mr. K. Kay.—It is now my privilege to move the adoption of the Report which is in your hands.

It is customary on these occasions for our domestic affairs and the current trend of Commerce and Industry to occupy the major part of our attention, and this is only natural in an Association of commercial interests such as ours, which is first and foremost a non-political body. But in reviewing the year that is now drawing to a close it seems almost impossible to escape from the influence of the political factors that have been so greatly in evidence in India during the past twelve months.

Perhaps, therefore, before dealing with our more personal affairs I may be permitted briefly to touch upon those aspects of the political situation which chiefly affect the commercial interests that we represent.

POLITICAL INFLUENCES DURING THE YEAR.

There has been apparent during the year a quickening of political interest which, if directed along the right channels, may have potentialities for furthering the development of this country but, it cannot be gainsaid, offers, in some of its more impetuous aspects, cause for some uneasiness among those who are accustomed to exercise a cautious and conservative policy in the conduct of their own affairs, and to look carefully ahead before they leap forward on to uncertain ground.

INDIAN STATUTORY COMMISSION

This time last year we were contemplating the formation and the arrival of the Indian Statutory Commission which is now here, once more engaged, together with its associated colleagues, in its onerous labours whose far reaching consequences have yet to be revealed.

In the interval that has elapsed since our last Annual Meeting we seem to have been kept not uninformed about this Commission, and whether it embodies the satanic forces that some sections of the community would have us believe, or whether it will prove to possess a panacea to cure all our present and future ills as others would seem to hope, I feel sure that none will welcome more heartily a satisfactory solution of the many problems that vex our spirit to-day than those who are engaged in the commerce and industry of this country. I think I might also add that no body of men is likely to give a fairer hearing to all parties, or to command greater confidence among the commercial community, than those gentlemen who, under the chairmanship of Sir John Simon, are now absorbed in endeavouring to discharge the difficult task that has been laid upon them.

Opinions may differ and are bound to differ widely where such vast and conflicting interests are involved as those which form the scope of this Commission's enquiries. It is unfortunate that in some directions these differences of opinion should have resulted in an abandonment of that restraint which we are entitled to expect in the conduct of our public affairs, and that there should have been in evidence, in some quarters, a direct encouragement to the forces of lawlessness and disorder which no commercial body such as this Chamber, whose interests are bound up with the prosperity of all sections of the community can view with anything but grave misgivings.

POLITICAL DISTURBANCES

While no one desires to dwell on past unhappy events, it would be unreal in a review of the past year, so far as we in Madras are particularly affected, to disregard a matter which at the time occasioned this Chamber and the business community generally in Madras very great concern.

I refer of course to what was known as the Boycott Campaign, culminating in the Hartal Riots organised in Madras in February by a certain section of political extremists and their followers, who by violent intimidation and assault of private citizens and attacks on private property endeavoured unsuccessfully, to hold up the normal civil and business life of the City.

This Chamber felt, and felt very strongly, that such a state of affairs was not to be tolerated, and I do not need to recall the measures that it was considered necessary for us to take in order to place our views before the Government. Nor need I now dwell upon the assurances that we received from Government, or the measures that were so successfully taken by the authorities to prevent the threatened recurrence of similar disorder.

INDUSTRIAL UNREST.

Apart from the disturbances which more directly affected us in Madras, the past twelve months have been conspicuous for prolonged and wide-spread industrial unrest in other parts of India which seriously interrupted, and in some cases brought to a complete standstill some of her most important industries.

The Mill industry in Bombay was paralysed for a period of some six months. The Steel industry, to foster which so much has been done in recent years, has been in like plight, and we have witnessed wide-spread strikes on some of the principal railways both in the north and south of India which have culminated in outbreaks of violent disorder and deplorable loss of life.

Whatever the causes of this unrest, whether political or economic, it has brought in its train hardship and loss to all concerned, and has dealt the economic fabric of India a blow the effects of which it will take long to dissipate. As a commercial body, we cannot regard with equanimity any efforts by any particular section of the community to interfere with or to destroy the foundations on which the commercial and social prosperity of the country is based.

It has, therefore, been with some misgivings that we have viewed the atmosphere of prejudice and distrust that has been apparent in certain quarters, and it is not surprising that our own attitude in regard to the evidence that we should place before the Indian Statutory Commission has been the subject of this Chamber's most anxious consideration.

ASSOCIATED CHAMBERS' MEMORANDUM TO THE STATUTORY COMMISSION.

This is not the occasion to refer in detail to what has been done by the European Chambers of Commerce in India in order to place the views of those whose interests they represent before the Indian Statutory Commission.

It is however well known that as a result of various meetings and consultations during the year between the individual Chambers of Commerce, the Associated Chambers of Commerce were able to submit to the Commission a Memorandum, which has since been made public, embodying their views with a degree of unanimity that I think is a matter of congratulation.

On certain very difficult questions affecting future governance complete unanimity as to procedure on all points, where conditions vary so widely in different districts, was perhaps not to be expected, and I think it will tax the resources of even the Chairman of the Statutory Commission to devise a solution of these problems that will completely satisfy everyone.

These however are matters which may be thought more properly to appertain to the proceedings of the Associated Chambers and it would therefore perhaps be inappropriate, on this occasion, to deal with them in detail here.

We who are not trained in the art of politics or the intricacies of government, but are merely plain business men, do not pretend to solve such difficulties; we are not drafting a constitution for India but only offering suggestions, and in indicating the situation as it appears to us, we trust that those whose duty it will be to reconcile the various opinions placed before them, will see that in the final form in which the Indian Statutory Commission's recommendations take effect such apprehensions as we may have, which recent dissensions have only tended to foster, will not be found to have been incapable of being allayed.

MADRAS CHAMBER'S VIEWS.

There are however certain aspects of the case which confronted the Madas Chamber when drawing up its report for submission in the Memorandum and for these I think we can profitably spare a few moments consideration.

In some quarters an interpretation has been attributed to some of the provisions of our Memorandum that the facts do not warrant. It has been suggested that we claim special rights and privileges for ourselves and not for others and that what we may be prepared to recommend in one direction we deny in another.

That is not so, but what we do ask for, in any further constitutional evolution, are adequate safeguards to protect, not only ourselves, but all Indian citizens from that intransigent element of which there has lately been only too much evidence, which apparently would prefer to see all progress wrecked, regardless of the consequences, rather than subject its own ambitions to the general good of the community at large.

We do not claim any special treatment at the expense of others, but what we do demand is protection from discriminatory legislation, and that we shall be guaranteed against special treatment being granted to others at our expense; that the fruits of our own labours shall not be transferred merely to enrich those whose fields may not in the past have received perhaps quite that intensive cultivation which we are accustomed to give to the raising of our own crops, and who now perhaps are tempted to cast envious eyes on their neighbours' property.

In formulating our views for the consideration of the Statutory Commission we have endeavoured to put our case fairly and squarely, and at the same time to recognise freely those interests which may not always be identical with our own. I think we can honestly say that we have shown that we are prepared to go a considerable distance to meet those interests and to respond to the growing needs of the country—some people may even say that we have gone too far. But we have done it in a spirit of trust, with a desire to show our Indian friends that we are ready and anxious to do our share in helping India forward along the somewhat difficult path that lies ahead, which can only be safely negotiated by cordial co-operation between all sections of the community, and we have been influenced by the hope that we in turn shall be met in the same spirit.

Unfortunately there have recently been manifested indications that this spirit, where it exists, may be suppressed and sacrificed to the exigencies of political and party propaganda.

DISCRIMINATORY LEGISLATION.

We have lately seen measures proposed and some introduced for consideration in the Legislatures that by their implications, if carried out, might profoundly affect the future development of India's commerce and industry.

Early in the year the Reserve Bank Bill was shipwrecked on the rocks of political domination of the Directorate, and you will notice in the report a reference to the Bill for the Reservation of Coastal Traffic in India. This is not the occasion for me to dwell in detail on this measure. You are all familiar with it and the significance of its provisions, but I refer to it now as affording the latest and most conspicuous indication of those tendencies to subordinate the rights of property to political opportunism.

THE NEHRU REPORT.

In a Memorandum defining the principles of a future constitution for India recently published by another body, I refer to what is known as the Nehru Report, which is understood to represent the considered views of all parties in India, the following statement is made in regard to European Commerce and Services.

"We are next confronted with questions relating to European commerce, and are told that "men who have put great sums of money in India and are daily increasing the sphere of their operation, have a right to know if we contemplate an early change of government." Similarly, we are told that "men entering the services, whether civil or military, whether European or Indian, have a right to know if we intend a radical change of government at an early date".

Then comes this very definite and important declaration :— "As regards European commerce we cannot see why men who have put great sums of money into India should at all be nervous. It is inconceivable that there can be any discriminating legislation against any community doing business lawfully in India."

The report continues—" European commerce, like Indian commerce, has had to bear in the past, and will have to bear in the future the vicissitudes inseparable from commercial undertakings on a large scale, and no government in the West or anywhere else has been able effectively to provide a permanent and stable solution for conflicts between capital and labour. If, however, there are any special interests of European commerce which require special treatment in future, it is only fair that in regard to the protection of those interests, Europeans should formulate their proposals and we have no doubt that they will receive proper consideration from those who are anxious for a peaceful solution of the political problem."

Practically simultaneously with the publication of these assurances, with which I think we should not quarrel, and which, coupled with the views we have ourselves previously expressed through the medium of the Associated Chambers' Memorandum to the Indian Statutory Commission, might have been taken as in some measure an earnest of that spirit of mutual trust that we have hoped to see, was the debate in the Assembly on the Bill to reserve the Coastal Traffic to Indian-owned concerns, which elicited the expression of opinion, voiced by certain members of that House, which no members of the party have refuted, not only that this measure to discriminate against, indeed, in effect, to expropriate British interests engaged in the coastal trade of India should be passed into law, but that there was no reason why it should not be the beginning of a similar policy to be directed against any other commercial activities in which British interests and British capital may be primarily concerned.

It is difficult to reconcile the official printed word of the "All Parties" Report with the spoken word of those who presumably represent those parties in the Legislative Assembly, and the intentions of these politicians that have thus been so frankly disclosed must give rise to grave doubts and misgivings.

The suggestion of such a policy of discrimination initiates a principle of interference with private enterprise that has potentialities for mischief, not only in European, but in Indian interests as well, which cannot commend it to our acceptance.

The prosperity of India and Indian commerce is bound up, not with this or that section of the comumunity, or with Indian or European as separate entities, but with all sections of the community and with all parts of the world, and it is only with mutual confidence, with the knowledge of safety and the protection of legitimate interests, that the flow of capital so greatly needed in her development, if India is to take her place among the great nations of the world, can be forthcoming. That will not be the case if a day should come when her trade and the interests of those engaged in it, are subjected to the exploitation of whatever political party may happen for the moment to be in power.

BRITISH INTERESTS.

Gentlemen, we British merchants in India are no mushroom growth; we are not, as some would seem to imply, a by-product of the political development of a generation. We are the heirs to a heritage going back for some three centuries, to the days of our first trading factories, to a Commerce built up by the prudence, thrift and foresight of successive generations of our race.

Here, in what is now the Madras Presidency, Masulipatam was our first trading settlement on the East Coast in 1611. In this City of Madras we date back to the year 1639, when our fellow countryman, Francis Day, obtained a grant of land, for the establishment of a factory; and similar origins attach to other great and flourishing cities in India to-day that have grown up around our original trading centres.

Let there be no pretence, we are here admittedly to do business with our Indian friends, but if due regard is paid to the history of our ventures no man can truthfully say that we have looked only to our own profits and that we have not in our labours assisted in promoting the prosperity of the country in which so many of our forebears have spent the greater part of their lives and so much of our capital has been invested. We have only to regard the growth of trade in India, her exports and her imports, and her internal development, her roads, railways and waterways and the traffic that they bear, the growth of her great ports, the steady and progressive development of her industries, of her agricultural products, the increasing prosperity of her population, to know that trade has been supported on a fair and honest basis

CO-OPERATION.

We of the present day, who have succeeded those who have preceded us, desire only to live in amity with our neighbours, in friendly rivalry if you like with our competitors. We desire no inequalities, we are prepared to go forward jointly with our Indian friends, to perform our part with equity in the economic development and constitutional progress of the country; but in whatever form political evolution in the future may take, while we would willingly reject no guarantees or safeguards that may confer equal opportunities for all, we claim, indeed we demand, adequate security in the conduct of our affairs and that the rights of property and the rewards of individual enterprise, legitimately acquired, shall be respected.

In that progress to which we all look forward, and in that security that we all require, I believe that our Indian commercial friends will be the first to admit that it is not by political acerbity but only by the maintenance of co-operation between both Indian and European interests that India's prosperity can best be preserved, and her commerce and industry, both internal and external, attain that full growth that her resources and the economic demands of her produce from the countries outside her borders should jointly assure.

It is time, gentlemen, to leave these matters and turn to the consideration of our more immediate domestic affairs.

DOMESTIC AFFAIRS.

First of all as to our financial position. This I am glad to say continues to be satisfactory. Although we have had certain items of unusual expenditure this year, including a sum of Rs. 1,400 for proper apparatus for testing cloth and yarn, considered necessary for the purpose of surveys and arbitrations by the Sub-Committee appointed to investigate the question, and we have also had additional secretarial expenses for eight months on account of Mr. Waddington's absence on leave, our cash balance as at the end of the year will, I anticipate, be only about Rs. 800 below that of last year.

TRADE GENERALLY.

Trade, during the year, may, I think, be considered as on the whole satisfactory. We have seen no very great improvement over conditions that prevailed last year, on the other hand we have to record no serious set-back and the prospect generally, provided there are no extraneous difficulties, is one that I think we may regard with quiet confidence.

The imports of both Piece Goods and Yarns so far this year have been slightly higher than those for the corresponding period of last year. This may be considered satisfactory in view of the fact that at the end of 1926 and early 1927 Cotton was considerably cheaper than it has been during 1928. Depression in trade in Lancashire has tended to orders for Cotton Goods and Yarns being accepted at finely cut prices, which, no doubt, has been a factor in preventing a falling off in imports in this section of the trade.

Dealers appear to have been more cautious than hitherto in their purchases, but as there has been little really brisk demand from the consuming districts, it is probably safe to say that the Dealers' turnover as well as the Importers' although satisfactory, has not resulted in any large profits.

It is, however, agreeable to notice that the bazaar business during the year has not been characterised by any untoward crisis; I think this can be taken as indicative of steady trading and the prospect of regular trade continuing during 1929 appears to be promising.

THE TANNING INDUSTRY.

The position in regard to the Tanned Hides Market at the moment is rather uncertain. At the beginning of this year the rising tide of high prices reached the limit about the beginning of February, but a rapid reaction followed and prices registered a heavy fall within a few days, which somewhat demoralised the market.

A certain amount of confidence was restored by a sharp advance in prices shortly after the decline, but from then right on, prices have sagged, until to-day they are back on a level of what they were about eighteen months ago.

The higher prices at the beginning of the year rather tended to make tanners put a greater quantity of raw material into their pits and, as a consequence, shipments this year have been rather larger than usual which has not helped to maintain prices at the earlier higher levels.

The position of the tanners is, of course, affected by the purchase of raw skins by foreign interests, and in this respect the industry could undoubtedly be assisted by an increase in the export duty on the raw material.

This very controversial question of the Export Duty on Raw Hides has, you know, been engaging our attention during the year, owing to a proposal to introduce into the Legislative Assembly a motion to abolish the present Hides Export Duty. I do not think I need go into the details of this controversy here, as these are already so well known. Our attitude, throughout

the discussions that have taken place on this subject, has been that not only should the existing tariff not be abolished, but in the interests of the tanning industry in India it should be increased to the former rate of 15 per cent.

The resolution for the abolition of this duty which it was expected would be introduced into the Legislative Assembly during the last session in September was, however, not reached, but it is expected to come up again in February or March next.

We are not prepared to relax in any degree our opposition to the proposed abolition of the duty and the matter is now engaging the close attention of the Skins and Hides Sub-Committee of this Chamber, with a view to concerting such further action as may be deemed necessary in the interests of the Madras Tanning Industry.

THE GROUNDNUT TRADE.

The Groundnut trade during the past year has been in a flourishing state as is indicated by the exports of Groundnuts from this Presidency during the past season which show an increase of over 60 per cent. on the previous year's shipments, the quantity shipped being well over 600.000 tons as compared with about 370,000 tons in the previous year. Prices during the year in spite of the larger crop were more or less stationary and moved within very narrow limits during the main part of the season from December to April, so that the year should have been a prosperous one from the cultivators' point of view.

The inland consumption of Groundnuts has more or less held pace with exports as the use of Groundnut Oil is becoming increasingly popular amongst the Indian population. Prospects for the ensuing season are again bright and demand from abroad is increasing and should absorb still larger quantities. Reports of the new crop now being harvested are favourable. A larger acreage has been planted this year and in spite of a rather erratic monsoon this season's exportable surplus will probably be above last year's figure. This I think may be regarded as a satisfactory situation and the crop being one that requires little attention during its growth should prove a valuable asset in promoting the prosperity of the ryots in this Presidency.

Let me now, gentlemen, briefly refer to some of the more personal aspects of the year's work.

EXECUTIVE.

You will find in the summary of our proceedings a list of those members who have represented us in different capacities outside the Chamber and I should like to express to all of them our very grateful thanks for the duties they have undertaken, in

many cases I am afraid at considerable personal inconvenience. I feel we are particularly indebted to those gentlemen who have represented us in the Corporation of Madras, in what is a very important, though I am afraid at times a rather exacting duty.

You will also see a list of those gentlemen who have served us in the Madras Legislative Council. In this connection I may perhaps remark that we were particularly sorry to lose Sir James Simpson's services when he undertook, in September last, the representation of the Associated Chambers in the Legislative Assembly in place of Sir Walter Willson who had retired from India, but in taking up his new appointment Sir James carried with him our cordial good wishes.

ASSOCIATED CHAMBERS OF COMMERCE.

Your Vice-Chairman and myself represented this Chamber at the meeting of the Associated Chambers held in Calcutta in July, in connection with the Memorandum submitted to the Indian Statutory Commission, and Sir James has also been appointed by the Committee, together with Mr. W. O. Wright and myself to represent you at the Annual Conference of the Associated Chambers of Commerce to be held in Calcutta on the 17th and 18th of this month.

A report of the Conference will be submitted to Members in due course.

OFFICE-BEARERS FOR THE YEAR.

Gentlemen, before closing my remarks I wish to express my personal thanks to all those who have so willingly helped me to discharge the duties of Chairman during the past year.

Our retiring Vice-Chairman, Sir James Simpson, whose valued co-operation with me during the year I would like specially to acknowledge, has asked me to express to this meeting his very great regret that unavoidable engagements in Calcutta have prevented him from being present to-day.

A rumour has reached me that this may possibly be the last Annual Meeting of this Chamber with which Sir James Simpson will be concerned. If this should be so, I feel sure it will be your wish that we should not let this occasion pass without paying a tribute to one who, on three occasions, has been elected to the Chair of this Chamber, who for many years has always wholeheartedly identified himself with our interests and willingly placed himself unreservedly at our disposal. I feel sure gentlemen you will share in the regret that Sir James Simpson could not be present at to-day's meeting, so that we could have testified to him personally our appreciation of his many services to this Chamber.

I would also tender my thanks to the members of the Committee for the help they have rendered at all times in carrying out the business of the Chamber and I must also mention the members of our staff including the Assistant Secretary and, particularly, our Acting Secretary, Lt.-Col. C. H. Brock, who, for eight months during Mr. Waddington's absence has most efficiently discharged his responsibilities. Matters outside the usual routine of the Chamber's commercial work have been somewhat prominent this year and I fancy Col. Brock must at times have felt that he had taken on rather more than he bargained for when he undertook the Secretary's work. This will be the last meeting that Col. Brock will attend, as Mr. Waddington is expected to arrive back from leave to-morrow, and I can assure Col. Brock that we have all appreciated his services.

I should like also to take this opportunity to extend a cordial welcome to the office-bearers who have been elected for the coming year.

Gentlemen, it has been a great privilege to me to serve as your Chairman during the past year and once more I thank you all for the support you have given me.

Mr. W. O. Wright.—In the absence of the Vice-Chairman the duty has fallen upon my shoulders of seconding the adoption of the report and I fully endorse all that the Chairman has said about our great regret that Sir James Simpson is unable to be with us this evening. Had he been here we would undoubtedly have listened, with the respect due to his mature experience, to some interesting comments on the exhaustive survey which our Chairman has made of the activities of the Chamber during the past year as well as his views on the political manifestations which we have experienced in India in 1928.

I do not feel competent anyhow at present to make any comments on the lengthy and able speech of our Chairman as I feel that time is required to digest all that he said. I, therefore, content myself with formally seconding the adoption of the report.

Mr. Hearson.—I rise to move a hearty vote of thanks to the Chairman, Vice-Chairman and Committee and the office-bearers for the past year. Before doing so, however, I would like to take this opportunity of thanking the members of the Chamber for the great honour which they have done me in electing me as their Chairman for the coming year. When I consented to stand for this honourable position I hardly realised the enormous amount of work that falls to the lot of the Chairman. Our Chairman's speech to-day has, however, opened my eyes to the magnitude of the task before me and I am quite appalled by my task. I ask you, however, to show your kind forbearance to such deficiencies as will appear. I am afraid that I was unfortunately absent during a considerable part of the year, and, therefore, can rely

only on hearsay for the excellent work done by the outgoing Chairman and Committee. Everyone, however, is unanimous on the excellence of that work which I can also vouchsafe from my knowledge of the personnel of the Committee. I trust that too high a standard may not have been set as it is my lot to follow in their steps. It is a great satisfaction for me to know that I shall have to support me as Vice-Chairman our Chairman of this year, and more than one member of the outgoing Committee will be on the Committee next year.

Before sitting down I should like to say a word about the great loss which Madras commerce is going to suffer in the coming year in the banking world. Mr. Lamb is shortly leaving us after over thirty years work in Madras during the last five of which he has been the highest Executive Officer of the local branch of the Imperial Bank and I am sure we all realise the enormous amount of work which Mr. Lamb has done for commerce in Madras and for the Chamber, and we wish him long life and happiness in his retirement in England or probably Scotland.

In the exchange banking world we almost suffer a holocaust in that we are shortly to lose Mr. Grahame, Mr. White and Mr. Cruden. None of these gentlemen have been in Madras as long as Mr. Lamb, but they have all been here long enough to make their mark on the banking and trade of Madras. Mr. Grahame after nearly thirty years in India, is, I am sorry to say, going for good, but I still hope he may visit us again to see that all goes well with us. Mr. White and Mr. Cruden are being transferred to other branches and I can only say that I hope that they will shortly be retransferred. When our friends from the exchange banks leave we never know whether they will return, but I am sure we all hope that they will.

Mr. Chairman and Gentlemen,—I have much pleasure in proposing a hearty vote of thanks to the Chairman, Vice-Chairman and the Committee of last year.

Mr. Kay having suitably acknowledged the thanks of the meeting the proceedings closed.

SUMMARY

The following is a summary of some of the more important proceedings of the Chamber during 1928.

BILL TO RESERVE THE COASTAL TRAFFIC OF INDIA TO INDIAN VESSELS.

The Presidency Port Officer, with his letter No. 744 GI-1, dated the 24th April, 1928, forwarded for an expression of opinion of the Madras Chamber copy of a Bill for the Reservation of the Coastal Traffic of India to Indian Vessels.

The object of the Bill is to provide for the employment of Indian tonnage in the Coastal traffic of British India and of the Continent of India, and it is intended to serve as a powerful aid to the rapid development of an Indian Merchant Marine. The mover of the Bill considers that the growth of an Indian Merchant Marine would prove a powerful factor in the employment of the Indian talent, and would lead to the further extension of Indian trade in various directions in a manner calculated to advance the National interests of India.

The Bill has been under consideration for some years, and the Presidency Port Officer was informed in a letter, dated 17th May, that the Chamber was strongly opposed, to the proposed measure as not being in the interests of the general trade of the country, and deprecated the grant of any direct or indirect Government assistance of such a nature as the proposed reservation, which takes the form of unfair competition with successful private enterprise.

If the proposal further contemplates any form of subsidy to Indian vessels, the Chamber would draw attention to the examples of other countries, such as the United States of America and the Australian Commonwealth, in connection with subsidised shipping, from which it can be deduced that the Indian Revenues would in time be called upon to find large sums of money merely to serve a sentimental end, which it is very doubtful would be achieved as the Trade of the Sea does not appeal to Indians in general. The probable result would be that such a subsidy would be found to be supporting a service mainly manned by other elements. The Presidency Port Officer was further informed that the Chamber was strongly in favour of competition in all matters where cheapness and efficiency are the factors requisite to the promotion of Trade, and disapproved of any measure calculated in any way to curtail or restrict the coastal trade and traffic of India.

Until there is evidence that the requisite finance and personnel for an Indian Coastal Mercantile Marine is forthcoming, and that an Indian Mercantile Marine has been built up sufficient to replace the vessels of other nationals now engaged in the trade, which would be excluded by the Bill, and to secure without diminution the uninterrupted continuity of the coastal trade of India, the Chamber was unable to see how any useful object could be served by the proposed legislation.

THE INDIAN MERCHANT SHIPPING (AMENDMENT) BILL.

The Presidency Port Officer, with his letter No. 777-G1-1, dated the 24th April, 1928, forwarded for an expression of opinion of the Madras Chamber copy of a Bill to amend the Indian Merchant Shipping Act, 1923.

The Seamen's Recruitment Committee, appointed by the Government of India in 1922, recommended the abolition of the present system of recruitment of seamen through the licensed brokers, ghat serangs and ghat butlers, which they considered lends itself to an extensive practice of bribery and corruption, and its substitution by an Employment Bureau, organised and maintained either by the representative Association of Shipowners and Seamen in co-operation, or by the State, as suggested in the draft Convention for establishing facilities for finding employment for seamen, framed and adopted by the General Conference of the International Labour Organisation, League of Nations, at its Session at Geneva in June, 1920.

The object of the Bill is to give effect to the recommendations of the Committee, and to stiffen the penal provisions with regard to the receipt of unauthorised remuneration for securing employment for seamen.

The Presidency Port Officer, in a letter, dated 17th May, 1928, was informed that the Chamber was opposed to the proposed amending Bill for the following reasons.

Under the provisions of this Bill, it would be impossible for Steamship Companies to make their own arrangements with their crews, and they would apparently be entirely in the hands of the Bureau Officer of the Port. They would presumably have to accept whatever crews the Bureau Officer or his representative might provide, irrespective of whether the crews were suitable for the purpose required, while no Steamer Company or Ship would be able to count on re-engaging their old crews.

The alternative method provided in the Bill of recruitment by the Owner, who is in most cases a Company and in other cases probably not in the Port at which the crew is required to be

engaged, would be impracticable, and therefore makes this provision valueless, as also recruitment by the Master or Mate of a vessel, as those Officers have neither time nor opportunity for getting into direct touch on shore with seamen looking for employment, and in many cases crews are required to join a ship on arrival in port.

The present methods of recruiting seamen through licensed brokers seem to satisfy the requirements of both the seamen and the Shipping Companies. The proposed legislation would appear to be impracticable in execution and very undesirable in consequences, as it would place the control of all seamen in the hands of the Bureau Officer of each port, a contingency that has obviously very serious disadvantages, political and otherwise. It is not difficult to visualise the standstill to which shipping might be brought in a period of labour unrest if the power to engage all seamen was legally confined to the Officers of an Employment Bureau.

MERCHANT SHIPPING ADVISORY COMMITTEE

With his letter, No. 1069 Gl-1, dated the 6th June, 1928, the Presidency Port Officer, Madras, forwarded a copy of communication from the Government of India, Department of Commerce, No. 186-S. (47), dated 17th May, 1928, together with a copy of the Bill to amend the Indian Merchant Shipping Act.

Section 8 of the Bill empowers the Governor-General in Council to appoint Committees, consisting of such persons as he may appoint to represent the interests principally affected or as having special knowledge of the subject matter, for the purpose of advising him when considering the making or alteration of any rules or scales under the Act.

The Government of India requested the Chamber to express its views on the following points:—

1. Whether there should be only one Advisory Committee, dealing possibly through Sub-Committees with various aspects of Merchant Shipping, or whether there should be a series of Committees;

2. What should be the composition of the Committee or Committees as the case may be.

3. What should be their functions; and

4. Whether a specific provision should be embodied in the law regulating the composition and functions of the Committee or Committees, or whether the present provision, which permits a more elastic procedure is preferable.

The Madras Chamber, in its letter of the 5th July, 1928, advised the Presidency Port Officer, Madras, that in its opinion there should be only one Advisory Committee, possibly dealing through Sub-Committees with various aspects of Merchant Shipping, as a series of separate Committees would seem likely to complicate procedure unnecessarily. This Committee might be identical with the Lighthouse Committee which has recently been formed, and which could be empowered to act also as the Merchant Shipping Advisory Committee. Further, no specific provision should be introduced in the law to govern the composition and functions of the Committee, as it is desirable that it should have as wide a scope as possible; and the present provision, which permits a more elastic procedure, would seem to be preferable.

BILL TO AMEND THE INLAND STEAM VESSELS ACT, 1917.

With its letter, dated the 9th March, 1928, the Associated Chambers of Commerce of India and Ceylon, Calcutta, forwarded for an expression of view of the Madras Chamber copy of a Bill to amend the Inland Steam Vessels Act, 1917.

The object of the Bill is to invest Government with authority to fix maximum and minimum freights and fares to be charged by inland steamer services. It is thought that the maximum rates would protect the public against exorbitant demands while the minimum scales would prevent unfair rate wars, which have, in the past, defeated indigenous efforts at organising inland steamer service in competition with powerful combines in Bengal.

The Bill also provides for the appointment of Advisory Committees to advise the owners of Inland Steam Vessels on questions affecting the interest of passengers.

The Chamber, in its letter, of the 16th March, 1928, informed the Associated Chambers that it adheres to its previously expressed opinion that restrictions should not be imposed in the matter of fares on Inland Steamer services, if such services are open to competition and that it would be wrong in principle to interfere with the natural law of supply and demand which must necessarily be the governing factor.

The above views were also communicated to the Government of Madras, Public Works and Labour Department, in a letter, dated 27th March, 1928.

INDIAN MERCANTILE MARINE ADMINISTRATION

With his letter No. 2363 Gl.-1, dated the 18th November, 1927, the Presidency Port Officer, Madras, forwarded for an expression of views of the Madras Chamber, copy of letter No. 186-S. (33),

dated the 8th November, 1927, from the Government of India, Department of Commerce, New Delhi, on the subject of Mercantile Marine Administration in India.

In accordance with Schedule I to the Devolution Rules made under Section 45 *A* of the Government of India Act, Shipping and Navigation, Lighthouses, Port Quarantine and Major Ports are subjects under the control of the Government of India. At present they are administered through the agency of Local Governments as provided by Section 45 *A* (1) (*c*) of the Government of India Act.

At a Conference held in November, 1924, in Delhi, at which representatives of various interests were present, the Government of India decided that Shipping and Navigation and Lighthouses should be administered direct, that legislation should be undertaken so as to vest the necessary statutory powers in the Governor-General, and that the question of Major Ports should be reconsidered later when experience of the Central Administration of other subjects had been gained.

Before proceeding with the necessary legislation to centralise the administration of Shipping and Navigaton, the Government of India put forward the following proposals:—

(1) The Officer responsible for the administration of the Merchant Shipping Acts should be a member of the Board of Trustees, instead of the Port Officer, as at present, and to emphasise his dissociation from the ordinary administration of the port he should be called the "Principal Officer", Mercantile Marine Department

(2) The coasts of India should be divided into districts based on the Major Ports and each District placed in the charge of a Principal Officer, who would be an executive officer, a Captain of the Royal Indian Marine; he would be the chief executive officer of the Government of India in his district in all matters relating to Mercantile Marine administration and would exercise general supervision over the whole of the district staff including Surveyors, Examiners of Masters, Mates and Engineers, Shipping Masters and the Bengal Pilot Service at Calcutta. He would also be appointed Superintendent of Lighthouses under the Indian Lighthouse Act.

(3) The Principal Officers of Districts should be directly subordinate to the Commerce Department of the Government of India, which should be advised by a staff of professional and technical officers. While exercising no direct executive authority over the staff at the ports, that department would examine and check all work submitted to headquarters, including diaries and returns, and would make regular tours of inspection, in order to guide and instruct the staff at the ports, to maintain contact with the

Commerce Department and to establish uniformity of administration both in principle and in practice. It is considered that it will be necessary to appoint two officers at headquarters for this purpose, a Nautical Adviser and a Chief Surveyor.

(4) At Minor Ports, where work is small, it is proposed to utilize the services of the Local provincial officers through the agency of the Local Government.

(5) The cost of services at the Ports is now approximately covered by fees paid by shipping and, as no contribution is made by Shipping to the cost of administrative and other overhead charges, these fees will continue to be credited to the Central Revenues, and the cost of services and administration will be met by appropriations and submitted to the vote of the Legislative Assembly in the form of demands for grants. A *pro forma* account will be maintained to show how far expenditure is covered by receipts, and later the adoption of a system for fees to be levied to cover a proportionate cost of the whole administration will be considered.

The Chamber, in its letter of the 23rd January, 1928, to the Presidency Port Officer, Madras, welcomed the proposals of the Government of India as they are framed with the aim of securing uniformity in Mercantile Marine Administration, and considers any scheme designed to make this more effective highly desirable and worthy of support.

As regards the proposals to levy fees later to cover costs, while noting the expressed intentions of the Government of India that their present proposals should not impose a serious additional financial burden on shipping, the Chamber feels that any suggestion to increase the already high fees paid by Shipping now will require the most thorough investigation, and when doing so, particular attention should be directed to the interests of the Minor Ports of the Presidency. For instance, up to a few years ago, a Coasting Steamer from Calcutta to Bombay paid one set of Port Dues for the East and another for the West Coast groups of Minor Ports. With the raising of Vizagapatam, Tuticorin and Cochin to the status of Major Ports, steamers trading on the Coast are subject to additional Port Dues for calls at those Ports, and these extra dues constitute a great handicap to Coastal Shipping which is subjected to severe competition from the Railways. The imposition of additional charges might have the effect of curtailing Coastal Shipping Services with its inevitable corollary of reduction in the revenue accruing to Minor Ports.

THE CABLE AND BEAM SERVICES

With its letters of the 16th April and 18th May, 1928, the Associated Chambers of Commerce of India and Ceylon, Calcutta, forwarded copies of correspondence with the Government of India, Department of Commerce, regarding the proposed

amalgamation of the interests of the Marconi Co., with those of the Eastern Telegraph Group. The Association feared that such an amalgamation was likely to be detrimental to the public interest by substituting a monopoly for the present healthy competition. As it understood that any fusion of interests would be subject to the approval of the Government of India, it welcomed the assurance given that, in any negotiations which might take place, the interests of the public generally and of trade and commerce in particular would be kept prominently in view, and pointed out that any information indicating the steps contemplated for the protection of the interests of the public would be much appreciated.

The Associated Chambers were informed by the Government of India that they were not at the present time in a position to make any definite statement.

In reply the Madras Chamber agreed with and supported the action taken by the Associated Chamber in addressing the Government of India at the instance of the Upper India Chamber of Commerce.

CODE WORDS IN TELEGRAMS.

In its letter of the 21st July, 1928, the Chicago Association of Commerce, Chicago, informed the Madras Chamber that a Conference of the International Telegraph Union was to be held at Brussels in September, 1928. At the former meeting of the Union held at Paris in 1925, a Committee was appointed to study code conditions and tariff problems and this Committee met in 1926 at Cortina, and recommended that Code words in international communications be limited to five letters in length and the cost to be.......per cent. of the present ten letter code word cost. Great Britain was alone in opposing this recommendation and filed a minority report.

The Chicago Chamber requested the Madras Chamber to protest against the recommendations of the Cortina Report unless it is clearly stated that the proposals will involve no increase in charges, as it would appear likely that the adoption of the Cortina Report would increase the cost of international communications in code by anything up to one hundred per cent.

The Chamber was opposed to the proposals if any increase in charges was involved and supported the Chicago Chamber's request; meantime, whilst this subject was under consideration, a communication, dated the 22nd August, was received from the Associated Chambers forwarding copies of correspondence exchanged with the Director-General of Posts and Telegraphs in which it was stated that the Indian Representatives to the International Telegraph Union Conference had been instructed to

oppose any proposal to reduce the length of code words to five letters, and this information was passed on to the Chicago Association of Commerce in a letter, dated 28th August, 1928.

On the 5th October, 1928, the Federation of Chambers of Commerce of the British Empire, wrote explaining certain items in the report of proceedings of International Telegraph Union Conference held at Brussels in September:—

The principle that no change should be made which would have the effect of raising charges to the code user was upheld.

The ten letter code, its cost and conditions of use, were left unaltered except that in place of the pronounceability test there is a stipulation that words of six, seven or eight letters must contain at least two vowels and those of nine or ten letters three vowels, the first five letters in every case must include at least one vowel and the remainder of the word at least one.

In addition to, and side by side with, the ten letter code there is to be an introduction of a new code system the words of which will consist of five letters. These five letter words need contain no vowels and will be free of the pronounceability test or other restriction. The five letter code word will be charged, as respects extra-European messages, at approximately two-thirds of the existing rate and, as respects the European zone, at approximately three-quarters of the present charge. Messages will be subject to a four word minimum.

The user is free to continue with the present system or to adopt the new one whichever he finds more advantageous.

PAYMENT OF MONEY ORDERS BY CHEQUES.

The Postmaster-General, Madras, in his letter of the 21st March, 1928, asked the Madras Chamber for its views on the proposal put forward by the Accountant-General, Posts and Telegraphs, to amend the system of the payment of money orders by cheque.

Under the present rules, a payee can refuse to accept a money order even after signing the acknowledgement for it, and is also permitted to ask the Post Office to correct the list any time before cashing the cheque. In the absence of any definite ruling as to the prompt disposal of money order acknowledgements, the acknowledgements are despatched by some post offices to the remitters immediately they are received duly signed by the payee, while they are held up by others till the cheque has been cashed at the Post Office.

The new proposal is that a cheque should not be given to the payee of the Money Orders until he has acknowledged the correctness of the list and that all money orders are for him. The list

and the money orders are to be left with the payee one day by the postman, who, on the next day, will hand over the cheque and take away the accepted list and money order acknowledgements. In the meantime, the payee should have checked his list, and any alteration he has to make in the list, etc., must be made before he receives the cheque. In the rare case of a further mistake being noticed before the cheque is cashed, the Post Office will have to adjust the matter by sending a Service Money Order to the original remitter or proper payee.

The Madras Chamber advised the Postmaster-General in its letter of the 26th April, 1928, that it had no objection to the proposal to amend the Rules.

RAILWAY RATES FOR PETROL.

The Hon'ble Member for Railway when introducing the budget for the year 1928-29 announced that it was proposed to introduce a telescopic scale for petrol freight, which would affect a reduction on all distances over 300 miles.

On receipt of advices indicating that where the traffic passes over two or more systems the telescopic rate will only apply separately to each and not for the continuous mileage, the Upper India Chamber, addressed the Government of India, Railway Board, on the 7th April, 1928, stating that they believed the intention of Government was to apply the telescopic rate to petrol in the same way as it is applied to coal. The grounds for such similar application are identical in both cases, in that the traffic originates in one or more specialised centres or areas, and that the more remote parts of the country must draw their supplies from these centres. If any real advantage is to be obtained from the introduction of the telescopic rates for petrol, long distance traffic must be reckoned on the continuous through mileage.

The Government of India, Railway Board, in their letter of the 4th May, 1928, stated that the telescopic rates for petrol announced in the Legislative Assembly on the 20th February, 1928, do not apply on through distances in bookings over two or more railways, but will apply separately on each railway.

The Upper India Chamber in their letter of the 31st May, 1928, to the Government of India, Railway Board, stated that in their estimation this is an entirely different proposition and would appear to be an avoidance of the actual announcement, as well as a most ungenerous extension of a concession which was long overdue.

Both petrol and coal are fuels, and as such the one is as imperatively a necessity for transportation as the other is for industry, both are available only from circumscribed localities

or centres, and therefore from every point of view both should be treated alike.

On the 14th June, 1928, the Associated Chambers of Commerce forwarded the correspondence exchanged by the Upper India Chamber with the Government of India, Railway Board, and asked the views of the constituent Chambers as to whether the Association should address the Government of India, supporting the representation of the Upper India Chamber.

The Madras Chamber, in its reply dated the 28th June, 1928, advised the Associated Chambers that it was in entire agreement with the proposal of the President to address the Railway Board supporting the representation of the Upper India Chamber. It was considered most unfair that the consumer who resides, say, 600 miles away from the main source of supply, and whose petrol has to travel over three Railway systems, should be treated differently from the consumer whose petrol reaches him from a similar distance but over one Railway only. At present 34 stations in this Presidency, where there are petrol agencies, benefit by the telescopic rate which allows reductions to be made of from one half to one anna in the price per gallon at those places. If the telescopic rate were made to apply to all distances, irrespective of Railway system, approximately 45 other petrol stations would be affected and would enable reductions in price to be made varying from a half to one and a half annas per gallon.

The Associated Chambers in their memo of the 29th August, 1928, forwarded copy of communication addressed to the Government supporting the views of the Upper India Chamber in the matter, and further drawing attention to a point in connection with the development of bulk petrol storage. Depots for this purpose are now being erected all over the country, a large proportion of the petrol stored at these depots being oncarried after it has been filled into tins. With a view to cheapening the cost of petrol upcountry and opening up the interior, it was suggested that consideration might be given to the question of applying concessional rates to petrol thus oncarried, although at a certain point it has been converted from bulk.

REDUCTION OF COAL FREIGHTS.

On the motion of Mr. Neogy, in the Legislative Assembly on the 29th February, drawing attention to the failure of Government to reduce freight on Coal, Sir Walter Willson, the representative of the Associated Chambers on the Legislative Assembly, pleaded for a reduction of freight on Coal.

In reply, Sir George Rainy, the Commerce Member, stated that cheap coal is needed for the Industries, and that the question had been considered when the present reduction was being

arranged, but that the claims of other commodities had to be given precedence.

The Railway Member informed the House that he was taking special steps to inquire into the matter and was collecting statistics to gauge the effect of the 1926 reduction in traffic, and that he would go into the question of freight on Coal once again.

While accepting these assurances with appreciation, the Associated Chambers of Commerce of India and Ceylon, in its letter of 17th March, 1928, drew attention to the opinion of the Upper India Chamber that more impetus would be given towards a favourable decision in the matter by Government if the Association were to address the Government of India urging the reduction, not only in the interests of the coal industry, but more prominently in the interests of industrial consumers.

Though the 10 per cent. reduction in 1926 was of assistance to consumers, it did not go nearly far enough towards the removal of the very considerable previous increases in freight, and the small reduction made was a disappointment to them all.

Though the 10 per cent. reduction had undoubtedly stimulated the demand, traffic was not sufficient in many places to bridge the difference between loss and profit in certain industries, and statistics as to the extent to which traffic had been stimulated by the reduction of 1926 might indeed be misleading in any endeavour to estimate the effects of a further reduction. Any enquiry into the stimulus given to traffic by reason of the reduction in freights must be rendered less reliable by reason of the reduction in pit head cost, in itself an incentive to increased consumption. Mere statistics as to traffic must, therefore, be accepted with caution, while it is certain and incontestible that the present high freights are a very considerable handicap on industry.

In its letter, dated 29th March, the Madras Chamber informed the Associated Chambers that it strongly supported the recommendation of the Upper India Chamber that the Association should address the Government urging a further reduction in Coal freights.

FREIGHT RATES ON FOREIGN RAILWAYS.

The Karachi Chamber of Commerce addressed the North Western Railway pointing out the difficulties experienced by Commercial interests in obtaining correct quotations for freight rates over foreign railways, and enquired whether it would be possible for the Railway to accept responsibility for such rates or to undertake the prompt confirmation of these within a few days.

The North Western Railway replied that responsibility could not be accepted and suggested that references for information regarding such rates were received to an unnecessary extent, in view of the fact that the information could easily be obtained by enquirers themselves from the tariffs, and expressed an opinion that references should be made to the Railway only when a firm might have reason to doubt the accuracy of the rates ascertained by their staff.

On receipt of copies of correspondence exchanged by the Karachi Chamber with the North Western Railway, the Associated Chambers of Commerce of India and Ceylon addressed the Railway Board and expressed the opinion that it was very desirable that the Head Offices of Railways in the different provinces should be prepared to give freely any information and assistance that might be available to them. The calculation of railway rates is such a technical matter that it is frequently by no means easy for a mercantile firm to ascertain through rates from the tariffs, and it should be realised that the railway rates calculation will frequently determine whether or not the business which is contemplated be undertaken. Under these circumstances, it is essential that the merchant should be able freely to consult the head office of the commercial department of the Railway situated in his province. In the event of the Railway applied to being unable to accept responsibility for the accuracy of the quotations, it is important that it should at any rate undertake to ascertain with the utmost promptitude and notify the enquirer whether the quotations given are correct.

The Railway Board replied that there are certain practical difficulties in the way of Railways quoting correct freight rates in through booking, and informed the Association that instructions had been issued to State Managed Railways that steps should be taken to ensure the quotation of correct freight rates in through bookings and, if necessary, their confirmation within a reasonable time.

The Associated Chambers of Commerce thereupon brought to the notice of the following Railways the steps taken by the Railway Board, and expressed the hope that they would be good enough to assist the commercial interests by taking similar action to that which the Railway Board had asked the State Managed Railways to take:—

The Madras & Southern Mahratta Railway.
,, South Indian Railway.
,, Assam Bengal Railway.
,, Bengal Nagpur Railway.
,, Bengal & North-Western Railway.
,, Bombay Baroda & Central India Railway.

The Associated Chambers in its letter of the 21st August, forwarded the whole correspondence for the information of its Constituent Chambers.

The Madras Chamber, in recording this correspondence, regarded the matter as one of great importance to commercial interests, and were of the opinion that correct freight quotations on through bookings over foreign railways should be readily available for the public, and trusted that action taken by the Railway Board in the matter would lead to all Railways issuing similar instructions.

LATE DELIVERY OF MAILS AT COCANADA PORT.

With its letter of 9th June, 1928, the Cocanada Chamber of Commerce forwarded copies of correspondence with the General Traffic Manager, Madras & Southern Mahratta Railway, and the Postmaster-General, Madras, with regard to the late running of mail trains to Cocanada Port, and requested the support of the Madras Chamber to this representation.

. At the Advisory Committee meeting of the Madras and Southren Mahratta Railway, held at Bangalore, on 23rd June, 1928, the representative of the Madras Chamber inquired as to what steps were to be taken to remedy the late arrival of mail trains complained of.

The Railway authorities admitted with great regret that there had been unavoidable delays, and the difficulties were not likely to be fully overcome until September. There were at that time seven restrictions of speed on that piece of line, necessitated by heavy special repairs, etc., which were being carried out and which caused delay in running. The work was being hurried on, and the general situation was already shewing improvement. They were fully alive to the inconvenience caused to the public, and would continue to do their utmost to overcome the difficulties as soon as possible.

Further, the Madras Chamber requested the Postmaster General, Madras, to consider the possibility of the carriage of mails from Samalkot to Cocanada Port by motor van or bus, especially as the connecting shuttle train seldom waited for the mail train when the latter was running late. The Postmaster General, however, could not see his way to accept the suggestion, but promised to urge the Railway to ensure the punctual running of mail trains.

HARTAL RIOTS.

An Extraordinary General Meeting of the Madras Chamber was held on the 7th February, 1928, to consider the grave disorder and menace to law and order from mob violence arising from the observance of Hartal on the 3rd February, and the following

Resolutions which were carried unanimously were communicated to the Chief Secretary, Government of Madras, in a letter dated the 8th February.

1. That this Chamber records its strong disapproval and condemnation of the Hartal proceedings which, for a considerable period during Friday, the 3rd February, 1928, placed one of the most important parts of this city in the hands of a riotous mob, and resulted in loss of life, personal injury and grave damage to private property, and that the Chamber do place their views before Government for their consideration.

II. That this Chamber has viewed with grave concern the apparent breakdown of measures for the preservation of law and order, and the maintenance of public safety, on Friday, the 3rd February. The Chamber, in drawing Government's attention to this aspect of the situation, wishes at the outset to make it clear that it is not only acting in its own interests, but that it desires to identify itself with all those law-abiding citizens of Madras who have suffered personal injury, damage, loss and deprivation, through being prevented from going about their lawful business by the activities of those who organised the Hartal.

III. The Chamber would specially draw Government's attention to the public campaign that has, for nearly two months, been carried on unchecked by means of speeches at public meetings, press articles, and the widespread distribution of posters throughout the city, by certain persons advertising themselves as the Simon Boycott Committee. This Chamber considers that the disgraceful scenes that occurred on Friday are in no way representative of the feelings of the bulk of the citizens of Madras, but are to be attributed solely to the propaganda that members of the Boycott Committee have so sedulously disseminated during the last few weeks, and that those persons who have lent themselves to the organisation of this campaign are and should be held primarily responsible for the loss of life, personal injury and grave damage to property that occurred in course of the Hartal, and that the law should be examined with a view to ascertaining the position of these persons and that, if it is at all possible, they should one and all be brought to account and made liable for damages, but that in any case Government should see that compensation is paid those who have suffered damage.

IV. In view of the fact that members of the Boycott Committee, in spite of the occurrences of Friday, the 3rd February, have openly re-affirmed their intention of bringing about a similar state of affairs in this City, on Friday, the 17th February, on a more intense scale, the Chamber feels it is its duty to ask Government to take such action as may be necessary, in the interests of public safety, against those persons who have

identified themselves as leaders of the movement, in order to restrain them from creating a repetition of the disorders which, it is obvious from Friday's experiences, such leaders are quite incapable of preventing.

V. That this Chamber, while it feels that it is not part of its duty to offer its opinions as to the causes which led to the failure to maintain order on the 3rd February, views with grave concern the possibilities of a repetition of these disorders, and feels that it must ask Government for definite assurances that all measures possible will be taken to ensure that they do not recur.

As a reply to this communication, the Government of Madras, Public Department, issued a G. O. No. Press 115, dated the 10th February, stating that they are not aware of any law in force in Madras City under which compensation can be assessed by Government and recovered from private persons or defrayed by the general taxpayer. While deploring the excesses that occurred on Friday, the 3rd February, the Government had not before them any such evidence as would have enabled or entitled them to move the Courts to bring into operation the preventive provisions of the Criminal law except on the basis of legal evidence tending to prove imminence of a breach of the peace. All possible measures would be taken to ensure that there shall be no repetition of the disorders which occurred on Friday, the 3rd February. They took the opportunity of assuring all citizens of Madras of their intention to protect any man who wishes to pursue his lawful avocations during the stay of the Simon Commission in the Presidency, or on any other occasion, and of their anxiety to prevent such stray assaults on peaceful citizens as have been reported.

The Chamber again addressed the Government of Madras on the 18th February, 1928, pointing out that the above Government Order did not reply in detail to the representations of the Chamber, and offered no comment on the apparent breakdown of measures for the preservation of Law and Order. The portion of the Government reply dismissing the consequences of the grave disorders as "such stray assaults as have been reported" suggested that Government had not fully realised the scenes of violence and disorder that actually took place in Madras on that day. It learnt with great concern that there is apparently no law in Madras by which the persons, who organized these disturbances, could be held liable for the consequences of their actions. It understood that the position was different in Bombay and Calcutta, and suggested that Government should, at once, take the necessary steps in the interests of the public weal, to amend the law so that the rights of private citizens would be assured, and that in future those who deliberately provoke a breach of the public peace would not escape the consequences of their actions.

The Government of Madras, Public Department, in its letter of the 23rd February, 1928, forwarded a copy of G. O. No. 166, Public, under the same date, expressing their deep regret at the turn taken by events on the 3rd February, 1928, and sympathy to sufferers of damage to persons or property as a result of the excesses of the mob. They stated that there was no law in Madras such as the City of Bombay Police Act, 1902, whereby compensation could be granted to sufferers of damage, but they were in communication with the Government of Bengal and were awaiting information as to the result of a test case, which was in progress in Bengal, as to whether the law as it stands would enable responsibility for damage and personal injury arising out of a hartal to be fastened on the persons who organised it.

The Chamber again addressed the Government of Madras, on the 3rd March, urging them to take such steps as may be necessary to bring the Madras Police Act into line with that of the Bombay Police Act.

INDIAN STATUTORY COMMISSION.

In a Notification issued by the Home Department, Public No. F. 143/28, dated New Delhi, 8th March, 1928, the invitation of the Indian Statutory Commission to both official and non-official bodies and individuals to submit Memoranda was notified, together with an appendix summarising the different headings regarding which the Commission invited opinion.

A preliminary meeting of representatives of various Chambers was held at Delhi, on the 11th February, 1928, to discuss the procedure to be adopted in submitting the views of the Chambers to the Statutory Commission, and, in a letter, dated 15th March, 1928, the President of the Associated Chambers of Commerce of India and Ceylon, proposed that the Associated Chambers should draw up a combined memorandum of the views of all the Chambers in India, on general lines so far as unanimity could be arrived at, leaving it open for any individual Chamber to submit its own memorandum in regard to local requirements. In this connection it was arranged that Mr. A. H. E. Molson, Political Secretary to the Associated Chambers, should visit all the Principal Chambers of Commerce to discuss and formulate, in co-operation with them, the main points at issue.

At a meeting of the Committee of the Madras Chamber held on the 17th April, 1928, a proposed memorandum was carefully considered, and the Committee drew up a preliminary statement of the opinions of this Chamber.

On the arrival of Mr. Molson, the Committee held further meetings in consultation with him on the 28th April and 1st May and, on the latter date, an extraordinary General Meeting of the Chamber was held to discuss the memorandum to be submitted

to the Commission, to which meeting members of the Affiliated Chambers were invited as also were representatives from the Madras Trades Association, Madras Branch of the European Association, and the United Planters' Association of Southern India. At this meeting the various points affecting the Chambers of Commerce and the Associations, in particular, were fully discussed, and the memorandum formulating the views of the Madras Chamber and the other Chambers represented at the meeting was approved by members. At the same time in view of the large measure of unanimity of opinion that was apparent in the views of various Chambers it was unanimously agreed that, if possible, a single report and memorandum sent up from the Associated Chambers representing the views of all the Chambers would be preferable to separate memoranda from individual Chambers.

Later on, as a result of Mr. Molson's tour, the Associated Chambers drew up a revised draft memorandum embodying the proposals of all the Chambers and synchronizing them as far as possible. This was again considered by the Committee of the Madras Chamber at a meeting held on the 26th June, 1928, and the delegates of the Chamber to the Calcutta Conference were instructed as to the opinions of the Madras Chamber. Mr. K. Kay, Chairman and Sir James Simpson, Vice-Chairman, went to Calcutta for the special Conference of representatives from all Chambers, which was held on the 3rd of July, 1928, and as a result of that meeting the memorandum was redrafted as finally published, and was submitted by the Associated Chambers to the Indian Statutory Commission.

POLITICAL REPRESENTATION.

The question of the employment of a wholetime Political Representative or Secretary to assist the work of the non-official group of European Members on the Legislative Council, in co-operation with the Madras Trades Association, Madras Branch of the European Association and the United Planters' Association of Southern India, has been engaging the attention of the Madras Chamber for some years, and a meeting was held on the 2nd May, 1928, to give the matter further consideration, representatives of these Associations being invited to be present. As it appeared that the United Planters' Association of Southern India, in particular, were anxious to engage a Political Representative as soon as possible, it was agreed that they should proceed with the selection of their own candidate. The United Planters' Association of Southern India, on their own account, proceeded to select and make an agreement with a candidate whom they considered most suitable for the post; and after having been promised financial support in the scheme by the other two Associations, then approached the Madras Chamber

and some of the Moffusil Chambers to subscribe to their scheme. Though the Madras Chamber in no way recognised this arrangement in substitution of its original plan in regard to the organisation of its own political representation in the Legislatures, it agreed to subscribe a modified measure of financial support to the scheme of the United Planters' Association of Southern India in earnest of its desire to assist in the work of strengthening the European Group in the Madras Legislative Council. The Chamber could not see its way to commit itself further in view of the uncertainty of the political outlook, and as it seemed not unlikely that in the near future the chief interests of Chambers of Commerce in political representation would centre in the Legislative Assembly rather than in the Local Legislative Councils.

GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE.

The Associated Chambers of Commerce of India and Ceylon, in its letter of the 14th April, 1928, asked for an expression of opinion as to the action to be taken in regard to the communication received from the Upper India Chamber of Commerce, on behalf of the British India Corporation repudiating the statement made by Government of India, Department of Industries and Labour, in their letter of the 14th July, 1927, to the effect that no private trade in India exists catering for the supply of harness and saddlery up to the high standard necessary for the Army, and also that orders for leather articles had been placed with a large firm in India but that, in spite of their best endeavours and in spite of their having received a great deal of assistance from the Inspecting Staff of the Army, they had failed to achieve the requisite standard.

The British India Corporation further pointed out that the Government Leather Factory in Cawnpore claim that they issue their products to units at cost, that obviously no private firm could afford to do this but at the same time there are, unfortunately, no means open to the Corporation of ascertaining if the Harness and Saddlery Factory is working at a loss or not, or if their costs are higher than an ordinary firm.

The Associated Chambers also pointed out that the British India Corporation complained of the action of the Agricultural Engineer to Government, United Provinces, in having negotiated for and obtained an agency in those Provinces for the supply of Sugar Cane Mills manufactured in Madras, in spite of the fact that a branch of the Corporation had applied for agency terms, and were in a position to handle the sale of these mills as well and probably better than a Government Department.

On the 2nd June, the Madras Chamber replied to the Associated Chambers that, although on a previous occasion it had advised them that they were satisfied with the assurance received from the Madras Government in regard to Government competition with Private Enterprise, this satisfaction is only subject to the assurances then given being rigidly adhered to. The views of the Madras Chamber had undergone no change and they were still as strongly opposed to Government competition with private enterprise as in the past, and they are prepared to support any representations the Associated Chambers may consider it desirable to make in regard to the complaint made by the Upper India Chamber.

With reference to the representation regarding the action of the Agricultural Engineer for Government, United Provinces, having taken up the agency for certain Sugar Cane Mills, the Association was asked for further information as to whether the Agricultural Engineer was merely an agent for distribution or had taken up a commercial agency to the definite exclusion of commercial firms who were in a position to handle the particular articles. The Madras Chamber expressed its opinion that, in places where there are local agents, the Agricultural Department should, as far as possible, procure the requirements of the ryots through the agents of the manufacturers, though in many districts the Agricultural Department was probably in a better position to ascertain and supply the needs of the ryots than firms who are not in such close touch with the village agriculturalist. At the same time the Chamber was prepared to support any further representation that the Associated Chambers might consider it desirable to make.

Subsequently it was learnt from the Associated Chambers that the arrangements complained of by the Upper India Chamber of Commerce had been discontinued and that the Agency had been secured by a company.

ARBITRAL AWARDS IN COMMERCIAL CONTRACTS.

The Government of Madras, Development Department, in its letter of the 29th March, 1928, forwarded for an expression of the Madras Chamber's opinion copy of letter from the Government of India, Department of Commerce, on the subject of Arbitral awards in commercial contracts.

The Madras Chamber, in its letter of the 6th October, 1928 advised the Government of Madras, Development Department, that in order to put into effect the terms of the Protocol and Convention agreed by the Assembly of the League of Nations, without at the same time impairing the jurisdiction of Civil Courts to seize and determine any dispute which has been agreed to be submitted to Arbitration, this Chamber understood that it

would be necessary for legislation to be undertaken in India possibly on the lines of Section 4 of the English Arbitration Act, 1899. At the same time it appeared to the Chamber that even such legislation would not achieve the objects intended to be attained by the Protocol and Convention.

Experience in India shows that the difficulty in enforcing claims, whether through courts or arbitrators, has been chiefly one of obtaining legal evidence to prove the facts relating to the claim. The Convention that has been ultimately agreed to at the assembly of the League of Nations still requires evidence of certain matters to be given before an arbitral award made in one country is enforced in another country, both of which have signed the Convention. Having regard to the procedure now obtaining in India it is almost impossible to secure such evidence, because the Chamber is advised that the Courts in India have no power to issue a direct commission to examine a witness in a foreign country. The Chamber is of the opinion that, in commercial cases, documents purporting to be *prima facie* properly signed and executed in a foreign country and relating to commercial transactions should be held to be *prima facie* evidence of the contents thereof until rebutted by other evidence. In order to bring about this result it would be necessary that the Evidence Act should be amended, so as to allow of such documents being admitted in evidence without formal proof.

The Chamber is of the opinion that unless and until the Evidence Act is amended as indicated, any suggestions with regard to arbitration are unlikely in any way to quicken the settlement of commercial disputes between foreign merchants and merchants of this country, and therefore considers that the Government of India should not adhere to the Convention.

NATIONAL RESEARCH.

At its meeting on the 27th March, 1928, the Madras Chamber considered a Resolution passed at the Eleventh Congress of the Federation of Chambers of Commerce of the British Empire which was held at Cape Town in October, 1927.

This Resolution, which was communicated to the Chamber by the Associated Chambers of Commerce of India and Ceylon in its letter of the 1st March, 1928, was as follows:—

"Whereas the work of National Research is a record of unparalleled achievement to the advantage of the British Empire during the Great War when the intellectual and industrial forces were unified with one object and were pooled to the advantage of the allied powers.

"And whereas the work of National Research has been aided by comparatively trivial grants from some of the Dominions within the British Empire.

"And whereas competition in the realm of National Research should be stimulated by grants to Universities and Industrial Laboratories to promote co-operation to further the development of the National resources of each country within the Empire.

"Therefore be it resolved:—

"That the Federation of Chambers of Commerce of the British Empire urge upon the Governments of the various parts of the British Empire the urgent necessity of establishing such national research institutes with sufficient financial appropriations to enable them to function in the most modern and scientific way, or in the case of such countries of the Empire as have already established in any degree such institutes, that the Governments of these countries be urged to place at the disposal of such institutes sufficient financial appropriation to enable them to undertake researches with the object:—

(*a*) of improving the technical processes and methods used in the industries and of discovering new processes and methods which may promote the expansion of existing industries or the development of new industries.

(*b*) of assisting in the development of the natural resources of the country, and

(*c*) of promoting the utilization of the waste product of industries.

"And further:—

"That the result of such investigations and researches made by any country within the Empire be placed, in so far as may be expedient and practicable, at the disposal of all other countries in the Empire who are in a position to make use of them, in the belief that the benefits accruing from such Imperial co-operation will be of the greatest possible advantage to the whole Empire both commercially and from the point of view of mutual protection."

In replying to the Associated Chambers on the 29th March, 1928, the Madras Chamber cordially supported the Resolution in principle, but was of the opinion that a great deal of technical and specialised investigation would be necessary before the proposals can be put into practice. The principles involved are already engaging the attention of most industrialists, and the Government of India has not shown itself indifferent to the development of the resources of this country, but further development on the lines indicated by the Federation of Chambers of Commerce is largely a question of ways and means.

BILL TO AMEND THE INDIAN MERCHANDISE MARKS ACT, 1889.

The Director of Industries, Madras, forwarded on the 17th March, 1928, a copy of a Bill to amend further the Indian Merchandise Marks Act, 1889, and asked the Madras Chamber to express their views on the proposed amendments.

At present, there is no provision in Indian law compelling the application of a trade description to imported goods. The result is that articles made in foreign countries without any indication as to the local origin are sometimes palmed off as Indian manufactures.

The Bill proposes to arm the Governor-General-in-Council with power to specify any imported goods, which the importer or the wholesale or retail dealer shall be called upon to affix a trade description and the name of the country of origin.

In its letter of the 27th March, 1928, the Madras Chamber pointed out to the Director of Industries that the main difficulty in connection with the carrying out of the provisions of the Bill appeared to be in the application of the trade description to goods "on sale" as provided for in Clause 12 A (2) (*c*).

If wholesale merchants were made to apply the trade description after importation it would entail the opening out and re-packing of each package causing great inconvenience and expense.

If the proposed ruling were to be applied to piecegoods, such as are ordinarily sold by length or by piece, the difficulty to some extent could be avoided in adoption by shippers of a general practice of marking such goods before packing; but if, under this ruling, each piece of cloth sold by dealers, however small, is to be stamped with the name of the country of origin at the time of sale, an impossible position would be created.

As the Bill includes all piecegoods and every kind of merchandise, the establishment of a responsible Board would appear to be necessary to determine which goods or classes of goods would have to be stamped and which should be exempt, and as some goods are extremely difficult to stamp it was considered that the rule would be liable to produce vexatious restrictions to trade.

The Chamber was also of the opinion that the sale of Indian goods would not be encouraged by the application of any such rules as are suggested, because buyers in India are usually attracted by cheapness, and so a stamping practice would merely tend to draw attention to articles manufactured by those countries which have a reputation for cheap production.

REGISTRATION OF TRADE MARKS.

A copy of letter received from the Burma Chamber suggesting that the Associated Chambers of Commerce of India and Ceylon, should approach the Government for the establishment of a Trade Mark Register for the whole country, was submitted to the Madras Chamber for its opinion in a letter from the Association, dated the 17th July, 1928.

In reply, the Madras Chamber pointed out that it had considered this question on previous occasions, and, while being generally in sympathy with the ideal of establishing a Trade Mark Register for the whole of India, is of the opinion that the existing law as to prior user affords all reasonable protection against the infringement of trade marks. Such an undertaking as has been proposed would be a work of considerable magnitude, and the difficulties of bringing the scheme into practical working appear to be great, while it seems doubtful if the protection afforded in the end would be any greater than is now obtainable. However if it was considered desirable, the Madras Chamber was agreeable to the matter being further discussed at the Annual General Meeting of the Association to be held at Calcutta in December, 1928.

TRADE DISPUTES BILL.

In September, 1928, a Bill to make provision for the investigation and settlement of Trade disputes was introduced in the Legislative Assembly.

The object of the Bill is to legislate for the prevention and settlement of trade disputes which have arisen from the outbreak of general industrial unrest during recent years.

From enquiries made in 1920, the Government of India came to the conclusion that in the then existing conditions such legislation was not likely to be effective, but since that the growth of organisations of industrial workers and the increasing influence exercised by public opinion on the course of disputes have led to a distinct change in the position.

As the result of further inquiries and the experience which has become available since, the Government of India are satisfied that legislation for the prevention and settlement of trade disputes is likely to prove of considerable value.

At a meeting of the Committee of the Chamber held on the 12th September, 1928, the provisions of the Bill were discussed, and the considered opinion of the Chamber was that the Trade Disputes Bill would undoubtedly be useful in cases of Government concerns and of public utility services. The Chamber did not consider it advisable to oppose the introduction of the Bill

from the point of view of private employers, but at the same time would press for certain amendments when the Bill reached the Committee Stage.

These views together with an indication of the lines on which it was considered, the Bill required amending were communicated to the Associated Chambers of Commerce of India and Ceylon in a letter, dated 14th September, 1928.

A letter, dated the 18th October, 1928, was also received from the Government of Madras, Public Works Department, enquiring the views of the Chamber on the provisions of the above Bill and a reply was submitted on the 9th November, 1928, expressing the opinion of the Chamber as indicated.

THE INDIAN PENAL CODE (AMENDMENT) BILL.

On the 19th April, 1928, the Government of Madras, Law (General) Department, forwarded for an expression of views of the Madras Chamber copy of a Bill to amend the Indian Penal Code.

Under the Trade Union Act, 1926, members and office-bearers of such trade unions as are registered are afforded protection from criminal liability for any act done in contemplation or furtherance of a trade dispute or in restraint of trade.

The object of this Bill is to so modify the definition of the term "illegal" in section 43 of the Indian Penal Code, as to secure for the members of unregistered Trade Unions, or of any group of workers engaged in a dispute, the same immunity as is afforded to members of registered Trade Unions.

In the opinion of the Madras Chamber the protection claimed by the mover of the proposed amendment as being "absolutely necessary" for members and office-bearers of unregistered Trade Unions, should be obtained by registering under the Act. It is difficult to suggest any reason why the persons, whom this amendment is designed to protect, should fail or omit to obtain the protection which membership of a registered Trade Union would afford. If the proposed amendment were accepted, it would mean that persons seeking its protection would obtain all the privileges of the Trade Union Act, while accepting none of its liabilities; the Act would soon become a dead letter, and the adjustment of Trade Disputes would become still more difficult as there would be no recognised registered body to negotiate with.

In England, since the General Strike, the tendency has been to tighten rather than to relax the law in the interests of the members of Trade Unions. In India, such complete relaxation of the existing Act, as contemplated by the proposed measure, might be calculated to have a most unfortunate effect in the

present state of Trade Unionism, and it would expose labourers to the exploitation of any group of persons choosing to call themselves Labour Leaders, and so claiming immunity for their actions under the proposed amendment.

The Chamber advised the Government of Madras in its letter of the 17th May, 1928, that it was strongly opposed to the proposed amendment, as its effect would be to negative the whole of the safeguarding measures in the Trade Union Act.

PROTECTION AGAINST ACCIDENTS OF WORKERS EMPLOYED ON BOARD OR ASHORE IN LOADING OR UNLOADING SHIPS.

On the 3rd September, 1928, the Presidency Port Officer, Madras, forwarded a copy of the Questionnaire with reference to protection against accidents of workers employed on board or ashore in loading or unloading ships, which subject has been placed on the Agenda of the 12th Session of the International Labour Conference to be held at Geneva in 1929, and requested the Madras Chamber to favour him with replies to the questionnaire.

The Madras Chamber, in its reply of the 11th September, 1928, stated that on general principles it was not opposed to the proposed draft convention, but considered that many of the points raised in the questionnaire are adequately covered, so far as India is concerned, by existing legislation and the local rules and by-laws in force in the various boards controlling harbours, and by the supervision of shipping exercised by the Board of Trade.

While this Chamber was of opinion that some general standard directed towards the establishment of adequate protection of workers might be desirable, it was considered that the diversity of local conditions in Harbours in different parts of the world rendered it difficult to define too closely the precise measures to be taken. The Chamber strongly deprecated the introduction of any procedure likely to hamper trade or lead to increased costs in the working of ships in port, or the creation of appointments which may not prove to be necessary, and certainly as far as the port of Madras is concerned do not appear to be needed.

PROTECTION OF WORKERS EMPLOYED IN LOADING AND UNLOADING GOODS AND COALING SHIPS, AT DOCKS, WHARVES, ETC.

In their letter No. 712-S (3), dated the 5th September, 1928, the Government of India, Department of Commerce, drew the attention of the Government of Madras to the difference between

the English and Indian Acts in regard to protection of workers employed in loading and unloading goods and coaling ships, at docks, wharves, etc.

The British Factory and Workshop Act, 1901, applies to workers employed at docks, wharves, etc., and Section 79 empowers the Secretary of State to certify certain processes of manual labour to be dangerous and to frame such regulations as appear to him to be reasonably practicable and to meet the necessity of the case.

The Indian Factories Act, 1911 (Act XII of 1911), is not applicable to workers at docks, wharves, etc., and it contains no provision corresponding to Section 79 of the British Factory and and Workshop Act.

As the law now stands it is impossible for the authorities in India to frame regulations on the lines of those prescribed under Section 79 of the British Factory and Workshop Act for the protection of persons employed in loading, unloading, moving and handling goods, etc., at docks, wharves, quays and ships, and it has been suggested to the Government of India that it might be advisable for steps to be taken to afford protection to them.

Before proceeding with the legislation the Government of India asked the Madras Government to furnish them with information as regards the existing position, and also their views as to the desirability of protecting by legislation the above classes of workers.

The Presidency Port Officer, in his letter, dated the 26th September, 1928, forwarded the above letter from the Government of India, and asked the views of the Chamber on the proposal.

The Madras Chamber advised the Presidency Port Officer on the 25th October, 1928, that it is not opposed to such legislation but is of opinion that, as conditions vary so greatly in different places, it would appear to be a matter of considerable difficulty to lay down hard and fast rules applicable to all ports.

It seemed, therefore, desirable that there should be as much scope as possible for the local authorities in various ports to frame such rules as may be necessary according to local conditions, though in regard to purely mechanical precautions it would no doubt be practicable to establish a standard that could be generally accepted.

In order to make such provision as may seem necessary, the Chamber expressed its opinion that it would be preferable either

to amend the Indian Ports Act or to introduce special legislation, rather than to extend the provisions of the Indian Factories Act which is not applicable and contains no provision corresponding to Section 79 of the British Act.

EMPLOYMENT OF WOMEN IN UNDERGROUND WORKINGS IN MINES.

With his letter No. 2509/28—1, dated the 7th July, 1928, the Secretary, Board of Revenue, Land Revenue and Settlement, forwarded for an expression of opinion of the Madras Chamber copy of notification from the Government of India No. M. 1055, dated the 14th June, 1928, relating to the exclusion of women from employment in underground workings in mines.

The Madras Chamber in its letter of the 2nd August, reiterated its previous opinion expressed in 1923, that it was advisable to restrict the employment of women in mines as soon as ever employers are in a position to replace them by male labour. Therefore, the Chamber, though not particularly concerned with mining interests, were prepared to support the revised proposal for excluding women from employment in underground workings in mines.

PUBLICATION OF MONTHLY STATEMENT OF IMPORTS AND EXPORTS.

In his letter, dated the 20th January, 1928, the Collector of Customs, Madras, asked for the views of the Madras Chamber on the proposal to discontinue the publication of the Monthly Statement of Imports and Exports for Madras Port and the Supplement for outports. The reasons adduced for discontinuing the publication were the paucity of subscribers and the financial loss incurred in this connection.

The Chamber, in its letter of the 15th February, 1928, advised the Collector of Customs, Madras, that it was opposed to the discontinuance of the publications, and considered that it would be a retrograde step on the part of the Customs Department to abolish the statement as its value and interest to the Mercantile community was considerable. The production of official publications of such a description rendering an acknowledged public service should not be regarded by Government from a financial aspect of the question but from the point of view of public utility. The compiling of records of this nature should not depend on private enterprise, and all such records should carry with them the authority of a Government Publication.

WHITE OIL.

The Associated Chambers of Commerce of India and Ceylon, in its letter of the 19th July, forwarded copy of letter from the Burma Chamber together with copy of a communication

addressed to the Director of Public Health, Rangoon, suggesting that Government should prohibit the importation of White Oil into Burma except under license and for such specified purposes as involve no danger to the public health; for example, the preparation of toilet requisites and medicines. As the oil is probably used in other parts of India for the purpose of adulterating edible vegetable oils, the Burma Chamber suggested that the Association should communicate with its constituent Chambers with a view to concerted action being taken to have the importation of White Oil prohibited all over India.

The Madras Chamber in reply stated that it supported the proposal of the Burma Chamber.

MATCH INDUSTRY.

With his letter No. 946-A, dated the 5th December, 1927, the Secretary, Tariff Board, Bombay, forwarded copy of the remarks made by the President of the Board in resuming the enquiry into the Match Industry in India, and asked for the views of the Chamber on certain proposals set forth in regard to the future organisation of the Match Industry.

The attention of the Board had been drawn to the fact that the Swedish Match Trust has in recent years obtained a dominating interest in the Match Industry in almost every country, and aims at securing a similar position in India, partly by eliminating smaller Indian concerns by means of unfair competition and partly by working arrangements with the larger Indian factories where feasible. The creation of such a monopoly is undesirable in the interests of the country, and would lead to the extinction of the small Industrialist, and a single firm or a group of firms would be in a position to fix prices considerably in excess of the cost of production.

The establishment of a regulated monopoly seemed to the Board to be the only solution to the difficulties created by the Swedish Match Trust. Various courses suggested to be adopted for establishing a regulated monopoly are as follows:—

(1) A monopoly both in manufacture and sale, to be handed over to the Swedish Match Trust on payment of an annual sum to Government, and under special conditions in regard to the employment of Indians, issue of rupee capital, the quality of the goods and the price at which they are to be sold. This system is in force in Greece and Poland where the Trust holds a monopoly.

(2) A Government monopoly in sales, manufacture being carried on by private agency. Sales would be entrusted either to a separate organisation, or be in the hands of Government itself. In the former case it would be necessary to create a

separate Sales Syndicate to which the monopoly would be entrusted. There is a system of this nature in Germany, the capital being contributed by the manufacturers who are also the Directors of the Corporation. Definite quotas of production are fixed for each manufacturer. Government retains the right of controlling the price at which the Sales Syndicate sells, if this appears excessive. If Government were to hold the monopoly of sales, it would be necessary to regulate imports and to restrict manufacture by means of a system of license as Government could not purchase matches to an unlimited extent at the price fixed for Government's purchases from the manufacturers.

The Madras Chamber, in its reply of the 15th February, 1928, expressed its strong opposition to any kind of Government interference with private enterprise both in the interests of the industry and of the country in general. The Chamber in its deliberations, was guided by the principle as to whether all the materials for the manufacture of matches are easily available in India or not. For, if the bulk of such materials has to be imported, it is obvious that India is not naturally equipped for the Match Industry, and hence it should not be bolstered up. The considered opinion of the Chamber was that any measures adopted to penalise the flow of *foreign Capital* would be detrimental to the interest of India and retard her progress.

The imposition of an excise duty on some factories and not on all would raise the prices to the consumer, and would not swell the revenue of the Government which is really one of the vital issues on the whole question.

The Chamber considered that the risk of the country being exploited by a single firm or a combination of firms of Match Manufacturers is exaggerated, and was opposed to any system of monopoly, either of manufacture or of sale.

SALE OF TEA UNFIT FOR HUMAN CONSUMPTION.

Mr. Carl Reid, the representative of the Madras Chamber of Commerce on the Indian Tea Cess Committee, drew the attention of the Chamber to the enormous quantity of imitation teas at present being manufactured in Southern India, the volume of which has steadily grown during the past few years, and asked the Chamber to approach the Director of Public Health, Madras, with a view to take steps to put an end to the practice.

On the 25th February, 1928, the Madras Chamber addressed the Director of Public Health, Madras, drawing his attention to the prevalence of this evil.

ENDORSEMENTS ON DEMAND DRAFTS BY BANKS.

With its letter of the 5th March, 1928, the Associated Chambers of Commerce of India and Ceylon, Calcutta, forwarded copy of letter, dated 15th February, 1928, from the Government of India, Finance Department, in regard to the Resolution adopted at the Annual General Meeting held at Cawnpore in December, 1926, that the Indian Law governing endorsements on Demand Drafts drawn by one branch of a Bank upon another branch of the same bank be amended so as to afford the same protection to Bankers in India, as the English law affords to Bankers in England.

The Government of India, after careful consideration of the speeches made in this connection, stated that there was not sufficient ground for them to reconsider their previous decision, and that legislation should not be undertaken until it has been demonstrated by a test case, or otherwise, that the law in India, as it stands at present, does not afford the protection which is *ex-hypothesi* desirable.

At a meeting of the Chamber, held on the 27th March, this communication was discussed, and the opinion was expressed that the law should be amended so as to make the position perfectly clear, especially as legal opinions were at variance, and it was resolved to inform the Associated Chambers that, whilst regretting the decision of the Government of India not to accept the recommendation of the Association, it was prepared to support any further representation on the subject that may be considered necessary.

A week later intimation was received that the Bengal Chamber of Commerce were of the opinion that the matter should not be allowed to rest, and that the Government of India be pressed to enact legislation to make the position perfectly clear, and in writing to the Associated Chambers on the 11th April, the Madras Chamber fully supported the views of the Bengal Chamber.

In its letter of the 3rd August, the Associated Chambers of Commerce of India and Ceylon, enquired whether the Madras Chamber approved of the letter which it proposed to send to the Government of India, Finance Department. The letter urged the Government of India to reconsider their previous decision in view of the opinions expressed by two Counsels, consulted separately, who recommended that the law required amendment.

The Madras Chamber in their letter, dated 14th August, 1928, approved of the Associated Chambers draft letter to Government.

INTEREST BILL.

At their Meeting on 27th March, 1928, the Madras Chamber discussed the provisions of the Government of India Interest

Bill, which was forwarded by the Associated Chambers of Commerce of India and Ceylon with their letter, dated 6th March, 1928.

The object of this Bill is to prevent the accumulation of interest for long periods and thereby save many a debtor from the clutches of covetous and clever creditors.

In its letter, dated the 2nd April, 1928, the Madras Chamber advised the Associated Chambers that, whilst approving the intentions of the Bill in so far as is calculated to protect the individual from the rapacity of the professional money-lender, it was of opinion that the wording of the Bill appears to admit of too wide an interpretation, and that under Clause 2 it might be possible for a debtor to evade payment of quite legitimate liabilities. The Chamber was of the opinion that the Bill should be so amended as to define more clearly the objects and limitations of its provisions, and to ensure that it applies only to money-lenders who extort excessive interest from a debtor.

INDIAN ACCOUNTANCY BOARD.

The Government of Madras, Law (Education) Department in its letter of the 13th September, 1928, forwarded a communication, with enclosures, dated the 20th August, 1928, from the Government of India, Department of Commerce, on the subject of the establishment of an Indian Accountancy Board.

The Government of India called a small informal Conference at Delhi, on the 20th March, 1926, of persons qualified to advise on the subject and representatives of the Local Governments to explore the whole subject.

The Conference was of unanimous opinion that the preparation of a scheme for an Indian Accountancy Board should be proceeded with and the formation of an autonomous association of Accountants should be kept in view as the ultimate aim. The Conference appointed a Sub-Committee to consider the details of the scheme.

The Sub-Committee submitted a memorandum, embodying its views, and the Chamber was asked to express its views on the scheme formulated.

The Madras Chamber regarded with approval the principles underlying the suggestion to establish an All-India Accountancy Board, with a view to the establishment of some form of Institute or Association of Auditors or Accountants in India of similar standing and reputation to existing Institutions in Great Britain and Ireland, and under letter, dated 9th October, 1928, advised the Government of Madras, Law (Education) Department, that the scheme embodied in the memorandum submitted by the Sub-Committee appointed by the Delhi Conference has the commendation of the members of this Chamber.

EXPORT DUTY ON RAW SKINS AND HIDES.

The Madras Chamber, under date the 10th February, 1928, addressed the Government of India, Department of Commerce, urging that the Export Duty on Raw Hides should be restored to its previous rate of 15 per cent. *ad valorem* in view of the present world shortage of Raw Hides, which is resulting in keen competition between countries for such supplies as are available. Prices have advanced in India by over 50 per cent., and Indian tanners are having difficulty in buying their requirements even at the present prices. The necessity for the protection given by the Export Duty is more keenly felt to-day than ever. A reply was received from the Government of India, dated 16th March, 1928, to the effect that the Government had noted the views and suggestions of the Madras Chamber.

In view of the likelihood of the question coming up for discussion at September Session of the Legislative Assembly, the Skins and Hides Sub-Committee of the Chamber reiterated their previous opinion that the present 5 per cent. duty was not of sufficient protection to an industry, which is a very important one in the Madras Presidency, and it should consequently be raised to the former level of 15 per cent., in order that the fullest advantage might be given to the Indian tanner, as against strong competition from several foreign sources.

With the present 5 per cent. duty the fullest effect is neither felt by the Government nor the tanner because of the inordinately low tariff valuation placed on Raw Hides and Skins. Any enhancement of the duty should have as its corollary the fixing of the tariff valuations on a basis of something approaching market values.

When the duty was 15 per cent., the fullest advantage of it could not be taken by the tanning interests themselves, because the stocks of tanned hides then held under Government control were so large that the tanners could not predict what the ultimate effect of the disposal of the huge stock would mean to their industry. When the duty was reduced to 5 per cent., the real advantage to the tanner was not readily apparent.

One of the reasons for the imposition of the Export duty on Raw Hides was to divert the previous German monopoly in Indian raw hides

The tanning industry proved its usefulness to Government during War, and it does not seem to be bad economics for the Government to give all the assistance in its power to an industry which is severely hampered by the operations of foreign interests in its internal markets for the supply of available raw material.

The advantage to be derived by the tanning industry from an increased export tax are incalculable at present, but the removal of the export duty may cause the industry to suffer to an extent which might easily be disastrous.

The introduction of this subject, for discussion at that Session of the Legislative Assembly, was however, postponed.

At a meeting of the Chamber held on the 30th October, a suggestion was brought up that a resolution should be tabled in the Assembly asking that the Export duty on Hides should be raised to 15 per cent. As the majority of the Chambers of Commerce are in favour of the abolition of the present Export duty on raw hides, it did not appear possible for the Madras Chamber to take any action on these lines. It was, therefore, suggested that the Skins and Hides Sub-Committee of the Chamber should approach the Southern India Skin and Hide Merchants' Association with a view to that body taking up the matter and having a resolution moved in the Assembly on their behalf.

TARIFF VALUATION ON HIDES.

On the 10th February, 1928, the Madras Chamber drew the attention of the Government of India, Department of Commerce, to the existing tariff valuations for hides which was obviously out of date, and recommended that it should be amended so as to bring it more nearly into line with present actual values.

On the present tariff valuation the 5 per cent. Export Duty based on the market value of Raw Hides is only equivalent to $2\frac{1}{2}$ per cent. It is generally considered that the level of prices in future will be substantially above that ruling during the past few years, although fluctuations in the prices of these raw materials might occur.

The Madras Chamber, in its letter of the 10th September, 1928, addressed to the Collector of Customs, Madras, suggested that the following rates be fixed as the Tariff Values on Hides and Skins for the coming year in place of the values in Schedule 3 of the current Export Tariff:—

(1) Skins—Goat	Rs. 2 per piece.
,, Sheep	Rs. 1-14 ,,
(2) Dry Salted Cow Hides.	
(*a*) Cows including Calf	As. 10 per lb.
(*b*) Buffs ,, ,,	,, 7-6 ,,
(3) Wet Salted Hides.	
(*a*) Cows including Calf	As. 6 per lb.
(*b*) Buffs ,, ,,	,, 4 ,,

THE IMPORT TARIFF SCHEDULE—PROCEDURE IN NOTIFYING CHANGES IN CLASSIFICATION AND VALUES.

In a communication, dated 20th March, 1928, the Government of India, Department of Commerce, proposed making the following alteration in the procedure now followed in consulting Chambers of Commerce and other bodies both as regards changes in tariff values and the classification of the headings to which the values are applied. Instead of consulting the principal Chambers of Commerce at the five major ports in November each year, the Director-General of Commercial Intelligence and Statistics will refer to the Chambers of Commerce all proposals affecting classification as received during the first 6 or 7 months of the year. The views submitted by them will be taken into consideration when formulating his provisional proposals covering changes in both classification and values. He will then as usual consult the principal Chambers again in November in regard to these provisional proposals.

The Madras Chamber, in its letter dated 26th April, 1928, advised the Associated Chambers of Commerce of India and Ceylon, that it was in agreement with the procedure suggested by the Government of India.

IMPORT TARIFF SCHEDULE—ALTERATIONS IN CLASSIFICATIONS.

The Director-General of Commercial Intelligence and Statistics, Calcutta, on the 6th June forwarded for the views of the Madras Chamber a statement showing the proposals received to date for the amendment of some of the tariff valued heads as notified under Government of India, Commerce Department Notification No. 73-T (50), dated the 24th December, 1927, to be considered at the Conference of Annual Revision of Tariff Values at the end of the year.

The Madras Chamber, in its letter of the 21st July, 1928, addressed to the Director-General of Commercial Intelligence protested against the proposal to remove Carbonate of Ammonia from the list of articles assessed for duty on a tariff value on account of its liability to decomposition into some other chemical, presumably Bicarbonate of Ammonia, which is assessed for duty on an *Ad valorem* basis.

If Carbonate of Ammonia is properly packed in hermetically sealed drums or tins, its composition is constant as long as the packages remain intact, which certainly should be the case at the time of import.

Whenever possible the adoption of fixed tariff values is most desirable, as this system ensures that all Importers pay duty on exactly the same basis, and none are at a disadvantage owing to variations in invoice values or local interpretations of "Market Value".

Both Carbonate and Bicarbonate of Ammonia should, in equity, be subject to the same form of assessment.

The Chamber further requested the Director-General of Commercial Intelligence to recommend to the Government of India the adoption of one of the following suggestions:—

(1) To insert in the Import Tariff Schedule a tariff-valued head for Bicarbonate of Ammonia, the market value of which at present is only approximately Rs. 2-8-0 per cwt. less than that of Carbonate of Ammonia.

(2) To combine Carbonate and Bicarbonate of Ammonia in one tariff-valued head.

The latter suggestion would be preferable as both products are used for precisely the same purposes. The Customs have apparently been experiencing difficulty in distinguishing one from the other, either owing to decomposition or any other cause, and this disability would be removed as it would no longer be a matter of importance, but under an *ad valorem* or Market Value assessment the difficulty would still remain.

PATENT AND PROPRIETARY MEDICINES IMPORTED INTO INDIA.

The London Chamber of Commerce, in its letter of the 30th June, 1928, asked the Madras Chamber to lend its support in opposing the measure of imposing an import duty on Patent and Proprietary medicines contemplated by the Legislative Assembly.

The Madras Chamber considered that it seemed to be desirable that these proprietary medicines should be made available to the people of this country as cheaply as possible, and the London Chamber were advised, under date 2nd August, that the matter would receive the careful consideration of the Madras Chamber, if and when any such proposal is put forward by the Government of India.

INDIAN INCOME-TAX ACT: SECTION 50

The Madras Chamber, at the Annual General Meeting of the Associated Chambers held at Calcutta on the 19th and 20th December, 1927, moved a resolution requesting the Government

to amend Section 50 of the Indian Income-tax Act so as to provide for an extension of the period during which a refund may be allowed where delay, over which the assessee has no control, has occurred in the United Kingdom.

The Associated Chambers in its letter of the 24th February, 1928, to Sir Walter Willson, representative of the Association on the Legislative Assembly, informed him that the position hitherto had been understood in Bengal to be that an intimation to the income-tax authorities that it was intended to submit a claim for refund in due course would be quite in order if submitted within one year from the end of the financial year in which the income-tax was recovered. In practice this had certainly been recognised by the authorities in Bengal and, as far as it was known, the practice has never been called in question.

Attention was drawn to the following sentence in the Correction list to the Income-tax Manual No. 14, dated 25th November, 1927.

> Page 137. Insert the word "calendar" between the words "the" and "year" in line 2 of sub paragraph 3 on the page.

It will read as under :—

> "Any claim to a refund must, under the provisions of Section 50 be made within one year from the last day of the *Calendar* year in which the tax was recovered. No claim can be entertained if presented at a later date."

The effect of this change will be that a claim for refund, or an intimation that it is intended to claim a refund, will in future have to be submitted:—

(*a*) not later than December 1928, if the tax in respect of the year 1927-28 has been recovered any time in 1927 prior to 31st December, 1927, instead of, as hitherto, the period for submission of the claim or the intimation being up to 31st March, 1929;

(*b*) not later than December 1929, if the tax in respect of the year 1927-28 has been recovered any time subsequent to 1st January 1928, instead of, as hitherto, the period for submission of the claim or the intimation being up to 31st March, 1929.

That is to say, in the case of tax recovered before 31st December the period for submission of the claim or the intimation of the intention to claim is shortened by three months, whereas in the case of tax recovered after 31st December the

period is lengthened by nine months, the cases in which it is possible to put off paying the tax until after 1st January are likely to be comparatively few.

The question is of vital importance in respect of tax recovered in the calendar year 1926 for the year 1926-27, because presumably a considerable number of assessees, following their usual practice, will have lodged or will lodge the necessary intimation between the 1st January and the 31st March, 1928. If the authorities insisted on applying this new reading of the instruction to such cases, the matter would presumably be contested in the Courts.

The Associated Chambers suggested that Sir Walter Willson should take up the matter with the member in charge of the Central Board of Revenue with a view to ensuring that the change that has been made is not allowed to prejudice the interests of any assessees on the lines indicated.

This question was considered at the Monthly Meeting of the Chamber held in March and the Associated Chambers were advised under date 30th March, 1928, that the Madras Chamber objected to the inclusion of the word "Calendar."

The Madras Chamber further suggested that the Association should press for the insertion in the Income-tax Manual of a definite ruling that the notification of a claim within 12 months of paying tax in India, as is at present accepted in Bengal, be accepted throughout India. Further it would simplify procedure if the Income-tax authorities would agree that claims for refund of double taxation collected in the United Kingdom be submitted within twelve months of the date on which the assessee has paid tax for the second time, which is when the claim actually arises, rather than as now required one calendar year from the end of the year in which the tax was first paid in India.

It was understood that special instructions had in point of fact been given to Income-tax Officers not to apply too strictly the period of limitation for making claims for refunds. No official reply has yet been received from Government.

INDIAN INCOME-TAX ACT: SECTION 19 (A)

Under Section 19 (A) of the Indian Income-Tax Act (XI of 1922) the Principal Officer of every company shall, on or before the 15th day of June in each year, furnish to the prescribed officer a return in the prescribed form and verified in the prescribed manner of the names and of the addresses as entered in the Register of Shareholders maintained by the company of the shareholders to whom a dividend or aggregate dividends exceeding such amount as may be prescribed in this behalf has or have been distributed during the preceding year and of the amount so distributed to each such shareholder.

The Commissioner of Income-tax Madras, in his letter of the 20th March, 1928, communicated to the Madras Chamber the decision of the Government of India, Central Board of Revenue, to suspend until further orders the application of Section 19 A of the Indian Income-Tax Act, 1922, in respect to all Sterling Companies whose dividends are paid outside British India.

The Madras Chamber, having previously expressed its objection in principle to the arrangement under which the Principal Officers of Companies are made responsible for furnishing returns regarding shareholders dividends, recorded this decision with satisfaction.

INDIAN INCOME-TAX RULES: CERTIFICATES ON DIVIDEND WARRANTS

The Punjab Chamber drew the attention of the Associated Chambers to a certain case in which the Income-tax Officer refused to accept Certificates of Payment of Income-tax and Super-tax given by companies on their dividend counterfoils, but he first insisted upon confirming such payment with the Income-tax Officer concerned. As this naturally took a considerable time the claimant's case was delayed thereby. The Punjab Chamber further suggested that the Association should enquire from its constituent Chambers as to whether any similar incident had been brought to their notice.

The Association ascertained that the Income-tax authorities in Karachi and Cawnpore were adopting the same procedure complained of by the Punjab Chamber.

The Madras Chamber, on the 1st November, advised the Associated Chambers that in its opinion Rule 48 must be complied with, as this rule expressly provides that the Shareholder in a company must satisfy the Income-tax Officer as to whether the rate of Income-tax applicable to the profits or gains of the company is greater than the rate applicable to his total income for the year in which a dividend is declared.

If the assessee fails to satisfy the Income-tax Officer as to the merits of his claim, the Chamber was of the opinion that reasonable objection cannot be taken to the Income-tax Officer requiring further confirmation, and that the only valid objection would be if the result were to delay a settlement unnecessarily.

INCOME-TAX: SECRECY.

The Indian Taxation Enquiry Committee suggested in their Report that the law regarding secrecy in Income-tax Returns might be amended so as to permit Income-tax Officers to draw up lists of persons and the sums for which they are liable under local taxation Acts and to furnish these to the authorities responsible for the collection of local tax.

At the Annual General Meeting of the Associated Chambers of Commerce of India and Ceylon, held at Calcutta in December 1927, this question was discussed and the following resolution was communicated in a letter, dated the 22nd December, to the Government of India, Finance Department:—

"That the Association records its strong disapproval of the suggestion of the Indian Taxation Enquiry Committee that Section 54 of the Indian Income-Tax Act, regarding secrecy, might be amended so as to permit Income-tax officers to issue to local authorities lists of persons assessable to local profession taxes. In the opinion of this Association, the secrecy of income-tax returns is of paramount importance and should be strictly preserved."

The Associated Chambers in their letter of the 24th January, 1928, forwarded to this Chamber copy of letter No. 436-I. T. 26, dated the 17th January, 1928, from the Government of India, Finance Department (Central Revenues), to all Local Governments and Administrations notifying their decision not to pursue the proposal of amending the law in regard to secrecy in Income-tax Returns, as the balance of opinion was against it.

SUB-COMMITTEES

The assistance rendered during the year by both the permanent and specially appointed Sub-Committees in connection with many important subjects has greatly aided the General Committee in the work of the Chamber.

THE ASSOCIATED CHAMBERS OF COMMERCE OF INDIA AND CEYLON.

Mr. K. Kay, M.L.C., Sir James Simpson, M.L.A., and Mr. F. Birley, as representatives of the Madras Chamber of Commerce will attend the Annual General Meeting of the Associated Chambers to be held at Calcutta in December, 1928.

OTHER SUBJECTS.

A number of other subjects came before the Chamber during the year, amongst these were:—Reduction of Railway freight on Manures; Railway freight on Groundnuts from Pollachi to Madras; Revision of Timing over the South Indian Railway; Children's Protection Bill; Hindu Child Marriage Bill; Hindu Marriage Dissolution Bill; Indian Divorce Amendment Bill; Protection for the Plywood and Tea Chest Industry; Rate of Railway freight on Avaram Bark; Terminal taxes; Revision of the Indian Companies Act; Bill to amend the Indian Limitations Act, 1908; Customs Duty on Government Stores; Levy of License fees for Storage of Ammunition and Gunpowder.

The following is a list showing the names of those members who have served the Chamber during the year in the several capacities mentioned.

CHAIRMAN AND VICE-CHAIRMAN

Mr. K. Kay, M.L.C., was Chairman and Sir James Simpson, M.L.A., was Vice-Chairman during the year.

MADRAS LEGISLATIVE COUNCIL

Mr. Kay, Sir James Simpson, Mr. F. B. Wathen, Mr. C. E. Wood and Mr. H. F. P. Hearson, served as the Chamber's representatives for varying periods.

MADRAS PORT TRUST

Mr. K. Kay, M.L.C., Sir James Simpson, M.L.A., Messrs. F. Birley, W. O. Wright, M.L.C., G. W. Chambers, R. D. Denniston and H. F. P. Hearson served as the Chamber's representatives for varying periods during the year.

CORPORATION OF MADRAS

Messrs. A. J. Powell, D. M. Reid, A. Sinclair Rose, and C. H. Straker served as the Chamber's representatives for varying periods during the year.

MADRAS AND SOUTHERN MAHRATTA RAILWAY ADVISORY COMMITTEE

Sir James Simpson, M.L.A.

SOUTH INDIAN RAILWAY ADVISORY COMMITTEE

Mr. W. O. Wright, M.L.C.

MADRAS PROVINCIAL COTTON COMMITTEE

Messrs. Robert Lee and H.F.P. Hearson.

INDIAN CENTRAL COTTON COMMITTEE

Messrs. Robert Lee and H. F. P. Hearson.

BOARD OF STATE AID TO INDUSTRIES

Mr. D. Stephen.

SOUTH INDIAN NURSING ASSOCIATION

Messrs. K Kay, M.L.C. and C. E. Wood.

ADVISORY COMMITTEE—A. F. (I.)—MADRAS AREA

Mr. W. M. Browning.

ADVISORY COMMITTEE—A. F. (I.)—M. AND S. M. RAILWAY UNITS

Mr. C. G. Alexander.

STATE TECHNICAL SCHOLARSHIP' BOARD

Messrs. K. Kay, M.L.C. and C. E. Wood.

FEDERATION OF CHAMBERS OF COMMERCE OF THE BRITISH EMPIRE

Sir Gordon Fraser.

MADRAS CITY AND SUBURBAN TOWN PLANNING TRUST

Mr. A. J. Leech.

GOVERNMENT TECHNICAL EXAMINATION ADVISORY BOARD

Messrs. D. J. Dalgarno and J. W. Macfarlane.

SENATE OF THE UNIVERSITY OF MADRAS

Messrs. K. Kay, M.L.C., H. F. P. Hearson, and W. Lamb served as the Chamber's representatives for varying periods during the year.

ROAD BOARD COMMITTEE

Messrs. W. M. Browning and R. T. H. Mackenzie.

ADVISORY COUNCIL OF THE GOVERNMENT INSTITUTE OF COMMERCE

Messrs. Robert Lee and C. E. Wood.

UNEMPLOYMENT COMMITTEE

Mr. R. Lee.

STANDARDIZATION OF JEWELLERS' WEIGHTS COMMITTEE

Mr. W. B. MacBain.

INDIAN TEA CESS COMMITTEE

Mr. Carl Reid.

NEW MEMBERS

Messrs. S. A. Bird, H. G. A. Eden, Alan Fraser, W. A. Hilliard, M. A. Muthiah Chetty, W. H. Peppercorn, C. D. Priestley, D. M. Reid, H. D. Sinclair and Sydney Smith.

HONORARY MEMBERS

Messrs. C. G. Alexander, G. A. Bambridge, A. Fullarton, J. B Hodgson, E. F. Maconechy, R. H. Meredith, H. B. Moore, H. L. Morbey, A. W. Parsons, H. Pollard, N. V. Raghavan, W. H. Ruddle, D. B. Scott, H. S. Walton and C. R. Watkins.

AFFILIATED CHAMBERS

Calicut, Coimbatore and Tuticorin Chambers of Commerce.

ASSOCIATE MEMBERS

Messrs. G. Brunschweiler and H. W. Russell.

UNIVERSITY LIBRARY
1 MAY 1949
MADRAS.

CORRESPONDENCE.

BILL TO RESERVE THE COASTAL TRAFFIC OF INDIA TO INDIAN VESSELS.

Presidency Port Office, Madras, 24*th April,* 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—I have the honour to forward herewith, according to instructions received from the Government of Madras, a copy of the Bill for the Reservation of the Coastal Traffic of India to Indian vessels, and would request that you will be good enough to let me have the opinion of your Chamber at as early a date as possible on the provisions of the Bill. Replies should reach this Office by 20th May, 1928.

I have, etc.,
A. E. Godfrey,
Commander, R.N.R.
for *Presidency Port Officer.*

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 10*th May,* 1928.

To All Members of the Association.

Sirs,—I am directed to invite your attention to the subjoined copy of a letter No. F. 112-I/27-A, dated the 31st March, 1928, from the Government of India, Legislative Department. I am directed to ask if you will be good enough to favour the Association with an expression of the views of your Chamber on the provisions of the Bill.

I have, etc.,
D. K. Cunnison,
Secretary.

[ENCLOSURE.]

Letter No. F. 112-I/27-A., dated New Delhi, the 31st March, 1928, from the Government of India, Legislative Department, to the Associated Chambers of Commerce of India and Ceylon.

With reference to the debates of the Legislative Assembly dated the 22nd March, 1928, I am directed to forward herewith copies of the Bill to reserve the Coastal Traffic of India and to request that the Government of India may be favoured with the opinion of the Chambers on the provisions of the Bill by the 1st July, 1928.

Chamber of Commerce, Madras, 17*th May,* 1928.

TO THE PRESIDENCY PORT OFFICER,
Madras.

SIR,—I have the honour to acknowledge your letter No. 744 Gl.-1, dated 24th April, 1928, forwarding copy of a Bill to reserve the Coastal Traffic of India to Indian vessels.

The Chamber is strongly opposed to the proposed measure as not being in the interests of the general trade of the country and deprecates the grant of any direct or indirect Government assistance of such a nature as the proposed reservation which takes the form of unfair competition with successful private enterprise.

If the proposal further contemplates any form of subsidy to Indian vessels, the Chamber would draw attention to the examples of other countries such as the United States of America and the Australian Commonwealth in connection with subsidised shipping from which it can be deduced that the Indian Revenues would in time be called upon to find large sums of money merely to serve a sentimental end, which it is very doubtful would be achieved as the trade of the sea does not appeal to Indians in general. The probable result would be that such a subsidy would be found to be supporting a service mainly manned by other elements.

The Chamber is strongly in favour of competition in all matters where cheapness and efficiency are the factors requisite to the promotion of Trade and disapproves of any measure calculated in any way to curtail or restrict the coastal trade and traffic of India.

Until there is evidence that the requisite finance and personnel for an Indian Coastal Mercantile Marine is forthcoming and that an Indian Mercantile Marine has been built up sufficient to replace the vessels of other nationals now engaged in the

trade, which would be excluded by the Bill, and to secure without diminution the uninterrupted continuity of the Coastal Trade of India, the Chamber is unable to see that any useful object would be served by the proposed legislation.

I have, etc.,
C. H. Brock,
Secretary.

Chamber of Commerce, Madras, 17*th May,* 1928.

To the Secretary, Associated Chambers of Commerce of India & Ceylon,
Calcutta.

Sir,—With reference to your letter of the 10th instant, I enclose copy of letter addressed to the Presidency Port Officer, Madras, expressing the views of this Chamber on the provisions of the above Bill.

I have, etc.,
O. P. Chetty,
Asst. Secretary.

BILL TO AMEND THE INDIAN MERCHANT SHIPPING ACT, 1923.

Presidency Port Office, Madras, 24*th April,* 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—I have the honour to forward herewith, according to instructions received from the Government of Madras, a copy of the Indian Merchant Shipping Amendment Bill, and would request that you will be good enough to let me have the opinion of your Chamber at as early a date as possible on the provisions of the Bill. The replies should reach this office by 20th May, 1928.

I have, etc.,
A. E. Godfrey,
Commander, R.N.R.
for *Presidency Port Officer.*

[ENCLOSURE.]

BILL

Further to amend the Indian Merchant Shipping Act, 1923, for certain purposes.

WHEREAS it is expedient further to amend the Indian Merchant Shipping Act, 1923, for the purposes hereinafter appearing; It is hereby enacted as follows:—

1. (1) This Act may be called the Indian Merchant Shipping (Amendment) Act, 192

(2) It shall come into force on such date as the Governor-General in Council may, by notification in the Gazette of India, appoint.

2. For section 24 of the Indian Merchant Shipping Act, 1923 (hereinafter referred to as the said Act), the following shall be substituted, namely:—

"24. (1) Employment Bureau shall be established and maintained, at the ports of Calcutta and Bombay and such other ports as the Governor-General in Council may deem necessary, to engage or supply seamen for merchant ships in British India.

(2) For every such Bureau, there shall be a Bureau Officer with such Deputy Bureau Officers, clerks, and servants (if any) as the Governor-General in Council may consider necessary."

3. In section 25 of the said Act,—

(*i*) in sub-section (1), for the words "either holds a licence under this Act for the purpose." the words "is the Bureau Officer or Deputy Bureau Officer" shall be substituted; and the words "or is *bôna fide* the servant and in the constant employ of the owner" shall be omitted;

(*ii*) in sub-section (2), for the words "either holds a licence under this Act for the purpose" the words "is the Bureau Officer or Deputy Bureau Officer" shall be substituted; and the words "or is *bôna fide* the servant and in the constant employment of the owner" shall be omitted;

(*iii*) in sub-section (4), for the word "hundred" the word "thousand" shall be substituted; and the words "and, if a licensed person, shall forfeit his licence" shall be omitted.

4. In sub-section (2) of section 26 of the said Act, for the words "a fine of fifty rupees" the words "a sentence of rigorous imprisonment which may extend to two years", shall be substituted; and the words "and, if a licensed person, shall forfeit his licence" shall be omitted.

STATEMENT OF OBJECTS AND REASONS.

The present system of recruitment of seamen through the licensed brokers and ghat serangs and ghat butlers, which pre-eminently lends itself to extensive practice of bribery and corruption, has been unreservedly condemned by the Seamen's Recruitment Committee, appointed by the Government of India in 1922. The Committee recommended the abolition of the present system and its substitution by the Employment Bureau, organised and maintained, either by the representative associations of shipowners and seamen in co-operation or by the State, as suggested in the draft Convention for establishing facilities for finding employment for seamen, framed and adopted by the General Conference of the International Labour Organisation of the League of Nations, in its session at Geneva in June, 1920. This Bill is intended to give effect to the unanimous recommendation of the Committee for the establishment of the Employment Bureau by the State and the abolition of the system of recruitment through the licensed brokers, ghat serangs and ghat butlers. The penal provisions with regard to the receipt of unauthorised remunerations for securing employment for seamen has been further stiffened in accordance with the recommendations of the Committee.

ABDUL MATIN CHAUDHURY.

The 1st July, 1927.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 10th May, 1928.

TO ALL MEMBERS OF THE ASSOCIATION.

SIRS,—I am directed to invite your attention to copy of a letter No. F.143-I-27-A., dated 31st March, from the Government of India, Legislative Department. I am directed to ask if you will be good enough to favour the Association with an expression of the views of your Chamber on the provisions of the Bill.

I have, etc.,
D. K. CUNNISON,
Secretary.

Letter No. F.143-I-27-A., dated New Delhi, the 31st March, 1928, from the Government of India, Legislative Department, to the Associated Chambers of Commerce of India and Ceylon.

With reference to the debates of the Legislative Assembly dated the 22nd March, 1928, I am directed to forward herewith copies of the Indian Merchant Shipping (Amendment) Bill with Statement of Objects and Reasons and to request that the Government of India may be favoured with the opinion of the Chambers on the provisions of the Bill by the 1st July, 1928.

Chamber of Commerce, Madras, 17th May, 1928.

To the Presidency Port Officer,
Madras.

Sir,—I have the honour to acknowledge receipt of your letter No. 777 G1-1, dated the 24th April, 1928, forwarding copy of a Bill to amend the Indian Shipping Act, 1923, so as to do away with the present system of recruitment of seamen from the licensed brokers, ghat serangs, and ghat butlers and in its place establish an Employment Bureau.

In reply, I am directed to advise you that the Chamber strongly opposes the proposed amending Bill for the following reasons.

Under the provisions of this Bill, it would be impossible for Steamship Companies to make their own arrangements with their crews, and they would apparently be entirely in the hands of the Bureau Officer of the Port. They would presumably have to accept whatever crews the Bureau Officer or his representative might provide, irrespective of whether the crews were suitable for the purpose required, while no Steamer Company or Ship would be able to count on re-engaging their old crews.

The alternative method provided in the Bill of recruitment by the owner, who is in most cases a company, and in other cases probably not in the Port at which the crew is required to be engaged, would be impracticable and therefore makes this provision valueless; as also recruitment by the Master or Mate of a vessel, as these Officers have neither time nor opportunity for getting into direct touch on shore with seamen looking for employment, and in many cases crews are required to join a ship on arrival in port.

The present methods of recruiting seamen through licensed brokers seem to satisfy the requirements of both the seamen and the Shipping Companies. The proposed legislation seems impracticable in execution and very undesirable in consequences, as it will place the control of all seamen in the hands of the Bureau Officer of each port, a contingency that has obviously very serious disadvantages, political and otherwise. It is not difficult to visualise the standstill to which shipping might be brought in a period of labour unrest if the power to engage all seamen was legally confined to the Officers of an Employment Bureau.

I have, etc.,
C. H. Brock,
Secretary.

Chamber of Commerce, Madras, 17th May, 1928.

To the Secretary, Associated Chambers of Commerce of India & Ceylon,
Calcutta.

Sir,—With reference to your letter of the 10th instant, I enclose copy of letter addressed to the Presidency Port Officer, Madras, expressing the views of this Chamber on the provisions of the above Bill.

I have, etc.,
O. P. Chetty,
Asst. Secretary.

MERCHANT SHIPPING ADVISORY COMMITTEE.

Presidency Port Office, Madras, 6th June, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—According to instructions received from the Government I have the honour to forward herewith a copy of the Government of India letter No. 186-S. (47), dated 17th May, 1928, with its enclosure, and would request that you will be good enough to let me have the opinion of your Chamber on the questions referred to in the letter at an early date.

I have, etc.,
A. E. Godfrey,
Commander, R.N.R.
for *Presidency Port Officer.*

[Enclosures.]

From the Government of India, Department of Commerce, No. 186-S. (47), dated 17th May, 1928.

I am directed to forward a copy of the Indian Merchant Shipping (Amendment) Act, 1928 and the Report of the Select Committee on the Bill which was passed by the Indian Legislature in March last.

2. Section 8 of the Amending Act empowers the Governor-General in Council to appoint Committees for the purpose of advising him when considering the making or alteration of any rules or scales under the Act, consisting of such persons as he may appoint representing the interests principally affected, or having special knowledge of the subject matter. The Hon'ble the Commerce Member when moving that the Indian Merchant

Shipping (Amendment) Bill be taken into consideration undertook to consult commercial opinion on the question of the composition and functions of the Committee or Committees, and to consider in the light of the opinion received whether it was desirable to define these by statute. I am accordingly to request that the Government of India may be favoured with the views of the Government of Madras after consulting such commercial opinion as they think desirable on the following questions:—

(*i*). Whether there should be only one Advisory Committee, dealing possibly through Sub-Committees with various aspects of Merchant Shipping, or whether there should be a series of Committees;

(*ii*) What should be the composition of the Committee or Committees as the case may be;

(*iii*) What should be their functions; and

(*iv*) Whether a specific provision should be embodied in the law regulating the composition and functions of the Committee or Committees, or whether the present provision, which permits a more elastic procedure, is preferable.

We, the undersigned Members, of the Select Committee to which the Bill further to amend the Indian Merchant Shipping Act, 1923, in order to vest in the Governor-General in Council the control of matters covered by that Act was referred, have considered the Bill and have now the honour to submit this our Report, with the Bill as amended by us, annexed thereto.

2. We have inserted a new clause between clauses 7 and 8 of the Bill as introduced. This clause inserts after Section 294 of the Act a section based on Section 79 of the Merchant Shipping Act, 1906, giving power to the Governor-General in Council to appoint Advisory Committees. We consider this to be a suitable provision to introduce into a Bill which removes the control of merchant shipping from various Local Governments, and centralises it in the hands of the Governor-General in Council. The maritime Local Governments are in a position to keep in touch with mercantile opinion, and the proposed machinery of Advisory Committees is designed to secure this advantage to the central Government.

3. We discussed the question of including provisions governing the composition and powers of these Advisory Committees, but decided to adopt the model of Section 79 of the Merchant Shipping Act, 1906, which will enable Government to consult mercantile opinion and to constitute these Committees in a manner conformable thereto. If mercantile opinion should be in favour

of defining the composition and powers of these Committees by statute, Government could consider the question of further legislation.

4. We have made small drafting amendments in the items of the Schedule relating to Sections 191 and 254 of the Act.

5. The Bill was published in the Gazette of India, dated the 4th February, 1928.

6. We think that the Bill has not been so altered as to require re-publication, and we recommend that it be passed as now amended.

K. C. NEOGY.
G. RAINY.
PURSHOTAMDAS THAKURDAS.
B. S. MOONJE.
SARABHAI N. HAJI.
M. A. AZIM.
T. COUPER.
B. DAS.
W. S. J. WILLSON.
ABDUL HAYE.

1st March, 1928.

BILL

Further to amend the Indian Merchant Shipping Act, 1923, in order to vest in the Governor-General in Council the control of matters covered by that Act.

WHEREAS, by the Devolution Rules, made under Section 45 A of the Government of India Act, subjects, in relation to the functions of government, have been classified as central and provincial subjects, for the purpose of distinguishing the functions of Local Governments and the functions of the Governor-General in Council;

AND WHEREAS the Indian Merchant Shipping Act, 1923, relates to matters falling within the scope of subjects classified as central, but vests the control of many of the said matters in Local Governments;

AND WHEREAS it is expedient to vest the control of all such matters in the Governor-General in Council;

It is hereby enacted as follows:—

1. (1) This Act may be called the Indian Merchant Shipping (Amendment) Act, 1928.

(2) It shall come into force on such date as the Governor-General in Council may, by notification in the Gazette of India, appoint.

2. In the sections, sub-sections and clauses of the Indian Merchant Shipping Act, 1923 (hereinafter referred to as the said Act), which are shown in the first three columns of the Schedule as being amended in accordance with this Section, for the words "The Local Government", or "a Local Government", or "any Local Government", as the case may be, wherever they occur, the words "the Governor-General in Council" shall be substituted.

3. In the sections, sub-sections and clauses of the said Act, which are shown in the first three columns of the Schedule as being amended in accordance with this section, for the word "it" wherever it occurs signifying a Local Government, the word "he" shall be substituted.

4. In the sections, sub-sections and clauses of the said Act, which are shown in the first three columns of the Schedule as being amended in accordance with this section, the words "with the previous sanction of the Governor-General in Council," or "and the sanction of the Governor-General in Council," or "subject to the control of the Governor-General in Council," or "with the previous approval of the Governor-General in Council," or "with the approval of the Governor-General in Council," as the case may be, shall be omitted.

5. In the sections, sub-sections and clauses of the said Act, which are shown in the first three columns of the Schedule as being amended in accordance with this section, for the words "local official Gazette" wherever they occur, the words "Gazette of India" shall be substituted.

6. In addition to the amendments to be made under Section 2, 3, 4 and 5, the amendments shown in the fourth column of the Schedule shall be made in the sections, sub-sections or clauses of the said Act shown against them in the first two columns of the Schedule.

7. After Section 4 of the said Act the following section shall be inserted, namely:—

"4A. The Governor-General in Council may by notification in the Gazette of India, delegate to any Local Government any or all of his powers under this Act, either absolutely or subject to such conditions or restrictions as he may think fit."

8. After Section 294 of the said Act, the following section shall be inserted, namely:—

"294A. (1) The Governor-General in Council may, if he thinks fit appoint Committees for the purpose of advising him when considering the making or alteration of any rules or scales

under this Act, consisting of such persons as he may appoint representing the interests principally affected, or having special knowledge of the subject-matter.

(2) There shall be paid to the members of any such Committee such travelling and other allowances as the Governor-General in Council may fix.

(3) Committees may be appointed under this section to advise the Governor-General in Council especially as regards any special rules or scales, or generally, as regards any class or classes of rules or scales which the Governor-General in Council may assign to them."

9. Where anything done under the said Act is in force immediately prior to the commencement of this Act, it shall be deemed, as from the commencement of this Act, to have been done under the said Act as hereby amended.

Chamber of Commerce, Madras, 5th July, 1928.

To the Presidency Port Officer,

Madras.

Sir,—I have the honour to acknowledge receipt of your communication No. 1069 Gl.-1, dated the 6th June, 1928, forwarding copy of letter No. 186-S. (47) of the 17th May, 1928, from the Government of India, Department of Commerce, together with copy of a Bill to amend the Indian Merchant Shipping Act, 1923, and the Report of the Select Committee on the Bill.

In reply I am directed to advise you that in the opinion of the Madras Chamber there should be only one advisory Committee, possibly dealing through Sub-Committees with various aspects of Merchant Shipping.

A series of separate Committees would seem likely to complicate procedure unnecessarily. The Committee might be identical with the Lighthouse Committee which has recently been formed and which might perhaps be empowered to act also as the Merchant Shipping Advisory Committee.

The Chamber is of opinion that no specific provision should be introduced in the law to govern the composition and functions of the Committee, as it would seem desirable that the Committee should have as wide a scope as possible and the present provision, which permits a more elastic procedure, would seem to be preferable.

I have, etc.,

C. H. Brock,

Secretary.

INLAND STEAM VESSELS ACT, 1917.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 9th March, 1928.

To All Members of the Association.

Sirs,—I am directed to invite your attention to the subjoined copy of a letter No. F.101-I/27-A., dated 21st February, from the Government of India, Legislative Department, and to ask if you will be good enough to favour the Association with an expression of the views of your Chamber on the points raised in the papers.

I have, etc.,
D. K. Cunnison,
Secretary.

Letter No. F.101-I/27-A., dated New Delhi, the 21st February. 1928, from the Government of India, Legislative Department, to the Associated Chambers of Commerce of India and Ceylon.

With reference to the debates of the Legislative Assembly dated the 9th February, 1928, I am directed to forward herewith copy of the Inland Steam Vessels (Amendment) Bill and to request that the Government of India may be favoured with the opinion of the Chambers on the provisions of the Bill by the 1st June, 1928.

BILL

Further to amend the Inland Steam Vessels Act, 1917.

Whereas it is expedient further to amend the Inland Steam Vessels Act, 1917; It is hereby enacted as follows:—

1. (*1*) This Act may be called the Inland Steam Vessels (Amendment) Act, 1927.

(*2*) It shall come into force on the first day of January, 1928.

2. In Chapter VI of the Inland Steam Vessels Act, 1917, after Section 54, the following sections shall be inserted, namely:—

"54 A. The Governor-General in Council may, by notification in the Gazette of India, prescribe the maximum and minimum rates of freights and fares which it shall be lawful for the owner of an inland steam vessel to charge for the conveyance of goods and passengers.

"54 B. The Local Government may make rules for the appointment of Advisory Committees to advice the owner of an inland steam vessel on questions affecting the interest of passengers, and may prescribe by rules the constitution and functions of such Committees."

STATEMENT OF OBJECTS AND REASONS.

The control exercised by Government over inland steam vessels carrying on goods and passenger service in this country does not extend to fixing the rates at which they can levy charges on the public. Virtually in the position of monopolists, the inland steamer organisations enjoy unfettered freedom in this matter. In Bengal and Assam where they supply very considerable facilities for transport, their charges are considered to be unduly high. There has been for some time a good deal of local public agitation against this state of things, but to no effect. It seems reasonable that, when Government exercise a certain amount of control over Railways owned and managed by private companies, in the matter of regulation of freights and fares, similar control should be assumed in respect of inland steam vessels also. It is proposed in this Bill to invest Government with authority to fix maximum and minimum freights and fares that can be lawfully charged by inland steamer services, on the analogy of similar authority in regard to Company-managed Railways. While the maximum rates would protect the public against exorbitant demands, the minimum scales to be fixed under the Bill would prevent unfair rate wars which have in the past defeated indigenous efforts at organising inland steamer service in competition with powerful combines in Bengal.

A second provision in this Bill is to enable Advisory Committees to be constituted and attached to the inland steamer concerns at different important stations, more or less on the lines of Railway Advisory Councils. As matters stand at present, the agents of the monopolist companies running inland steamer services are not in touch with public opinion, and do not pay adequate attention to the grievances of the travelling public.

K. C. NEOGY.

23rd December, 1926.

Chamber of Commerce, Madras, 16*th March*, 1928.

TO THE SECRETARY, ASSOCIATED CHAMBERS OF COMMERCE OF INDIA & CEYLON,

Calcutta.

SIR,—With reference to your letter No. 15 A.C., of the 9th March, 1928, forwarding copy of a communication No. F.101-I/27-A., dated 21st February, 1928, received from the Government of India, Legislative Department, on the subject of the proposed Bill to amend the Inland Steam Vessels Act, 1917, I enclose copy of a letter sent to Sir Walter Willson, New Delhi, on the 3rd March, 1927, expressing the views of the Madras Chamber on the provisions of this Bill.

I am to say the Chamber sees no reason to alter the opinion then expressed.

I have, etc.,
H. WADDINGTON,
Secretary.

[ENCLOSURE.]

Chamber of Commerce, Madras, 3rd *March,* 1927.

TO SIR WALTER WILLSON,
New Delhi.

SIR,—With reference to your letter of the 2nd ultimo, forwarding copy of a Bill to amend the Inland Steam Vessels Act, 1917, I am directed to advise you that this Bill was considered at the last Monthly Meeting when it was resolved to inform you that this Chamber is strongly of opinion that Government should not place restrictions in the matter of fares on Inland Steamer services if such services are open to competition. That the governing factor should be the natural law of demand and supply and that it would be wrong in principle to interfere with this.

I have, etc.,
H. WADDINGTON,
Secretary.

Government of Madras, Public Works and Labour Department,
Fort St. George, 19*th March,* 1928.

TO THE CHAIRMAN, CHAMBER OF COMMERCE,
Madras.

SIR,—I am directed to forward a copy of the above Bill with the Statement of Objects and Reasons and an extract from the debate in the Legislative Assembly and to request that you will be so good as to favour the Government with an expression of the Chamber's views on the provisions of the Bill, before the 1st May, 1928.

I have, etc.,
F. B. EVANS.
Secretary to Govt.

Chamber of Commerce, Madras, 27th March, 1928.

TO THE SECRETARY, GOVERNMENT OF MADRAS,
PUBLIC WORKS & LABOUR DEPARTMENT,

Fort St. George, Madras.

SIR,—I have the honour to acknowledge your letter No. 4502 D/28-2, dated the 19th March, 1928, forwarding copy of a Bill to amend the Inland Steam Vessels Act, 1917, together with the Statement of Objects and Reasons and an extract from the debate in the Legislative Assembly.

I am directed to inform you that this Chamber is strongly of opinion that Government should not place restrictions in the matter of fares on Inland Steamer services if such services are open to competition. That the governing factor should be the natural law of demand and supply and that it would be wrong in principle to interfere with this.

I have, etc.,
H. WADDINGTON,
Secretary.

INDIAN MERCANTILE MARINE ADMINISTRATION, 1928.

Presidency Port Office, Madras, 18th November, 1927.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—Under instructions from Government, I have the honour to request that you will please let me have the views of your Chamber not later than the 1st December, 1927, on the enclosed copy of letter from the Government of India, Commerce Department, No. 186-S.(33), dated 8th November, 1927, and on the draft Bill to amend the Indian Merchant Shipping Act XXI of 1923, therein referred to.

I have, etc.,
C. R. CAMPBELL,
Captain, R.I.M.,
Presidency Port Officer.

[ENCLOSURE.]

Government of India, Department of Commerce,
Delhi, 8th November, 1927.

TO THE SECRETARY TO THE GOVERNMENT OF MADRAS,
FINANCE (MARINE) DEPARTMENT,
Madras.

SIR,—I am directed to address you on the subject of Mercantile Marine Administration in India. The list of central subjects in Schedule I to the Devolution Rules, made under section 45A. of the Government of India Act, includes the following:—

(1) Shipping and navigation;

(2) Lighthouses;

(3) Port quarantine; and

(4) Major ports.

All these subjects are now administered through the agency of the Local Governments, as provided by Section 45A. (1) (*c*) of the Government of India Act, and statutory powers in respect of them have hitherto to a large extent been vested in the Local Governments. At a Conference held in Delhi in November, 1924, which was attended by representatives of the Local Governments, the Chairmen of the Port Trusts of the major ports, Port Officers and Port Health Officers, as well as by representatives of the Departments of the Government of India concerned, it was considered whether these subjects should continue to be administered through the agency of the Local Governments, or should be administered direct by the Governor-General in Council. As a result of these discussions, the Government of India decided that (1) shipping and navigation, and (2) lighthouses should be administered direct, and that legislation should be undertaken so as to vest the necessary statutory powers in the Governor-General in Council. They also decided that the question of the major ports, about which there was some difference of opinion, should be reconsidered later when experience of the central administration of other subjects had been gained. Port quarantine, which is closely connected with the sanitation of the port generally, will also be dealt with separately.

2. But before proceeding with the legislation necessary to centralise the administration of shipping and navigation and lighthouses, the Government of India thought it desirable to place before the Local Governments their proposals for a central organisation for this purpose. Conditions at the principal ports in India were accordingly investigated, the organisation in the United Kingdom was studied, and a scheme was finally prepared with the assistance of the Board of Trade and their professional

and technical advisers. In accordance with this scheme, proposals were put before Local Governments last year for the central administration of lighthouses. The Indian Lighthouse Bill was introduced in the Indian Legislature last February and was passed in September. I am now to put before the Government of Madras proposals for the central administration of the subject shipping and navigation. The primary purpose is to provide for the administration of the Merchant Shipping Acts by the Governor-General in Council direct instead of through the agency of the Local Governments.

Organisation.

(1) *At the Ports.*

3. The Merchant Shipping Acts are now administered at the ports by the Port Officer and his staff. Originally the Port Officer was the conservator of the port. But when Port Trusts were constituted and appointed conservators, the position of the Port Officer changed. In some cases he ceased to be concerned with conservancy and harbour management, except as a member of the Board of Trustees to which he might be nominated by the Government. In other cases, he became the servant of the Port Trust as Deputy Conservator. It may be desirable that the officer responsible for the administration of the Merchant Shipping Acts should be a member of the Board of Trustees. But it is considered undesirable that he should be the servant of the Board, and this arrangement should be discontinued so far as is possible, consistently with economy. It is thought, therefore, that it may avoid misunderstanding, and emphasise his dissociation from the ordinary administration of the port, if the local officer responsible for the administration of the Merchant Shipping Acts is called the Principal Officer, Mercantile Marine Department. This is the ordinary designation in the United Kingdom, and implies functions which are well understood by shipmasters, shipowners and others concerned.

4. It is proposed, for the purposes of mercantile marine administration, to divide the coasts of India into Districts, based on the major ports, and to place each District in the charge of a Principal Officer, who would be an executive officer, ordinarily a Captain, of the Royal Indian Marine or of the future Royal Indian Navy. He would be the chief executive officer of the Government of India in his District in all matters relating to mercantile marine administration, and he would exercise general supervision over the whole of the District staff including surveyors, examiners of masters and mates and engineers, shipping masters, and the Bengal Pilot Service at Calcutta. He would also be appointed Superintendent of Lighthouses under the Indian Lighthouse Act.

This supervision would not extend to technical matters which were beyond his scope. In such matters, the staff at the ports would be guided by the headquarters technical staff. But all communications between headquarters and the District staff would pass through the Principal Officer.

(2) *At Headquarters.*

5. The scheme put before the Delhi Conference in 1924 provided for the appointment at headquarters of a technical Director, who would exercise the powers of a Head of Department over the services at the ports. This proposal was criticised, and it was urged that a technical officer at headquarters should be an adviser only. After further consideration and consultation with the Board of Trade, the Government of India have decided to accept this view. In the United Kingdom, the Principal Officers of Districts are directly subordinate to the Board of Trade, and the functions of the Professional Officers and the Consultative staff at headquarters are advisory. The Government of India now consider that the headquarters staff in India should be organised in accordance with this principle. It is proposed, therefore, that the Principal Officers of Districts should be directly subordinate to the Commerce Department of the Government of India, which should be advised by a staff of professional and technical officers. While exercising no direct executive authority over the staff at the ports, they would examine and check all work submitted to headquarters, including diaries and returns, and would make regular tours of inspection, in order to guide and instruct the staff at the ports, to maintain contact with the Commerce Department and to establish uniformity of administration both in principle and in practice.

The Government of India consider that it will be necesary to appoint two officers at headquarters for this purpose, a Nautical Adviser and a Chief Surveyor. In addition, there will be the Chief Inspector of Lighthouses for which the Indian Lighthouse Act already provides.

Agency.

6. It is recognised that, for a time at any rate, it may not be economical or convenient either for the Government of India or for Local Governments to make a clean cut. Some Local Governments may desire, for instance, that the Principal Officer's staff should continue to undertake the survey of inland steam vessels, or to hold examinations for certificates of competency under the Inland Steam Vessels Act, or again to superintend the management of local lighthouses for which the Local Government will be the lighthouse authority under the new Act. Such arrangements will be matters for separate consideration with each Local Government. But I am to say that the Government of India will endeavour to meet the requirements of Local Governments in every way possible, and will do their utmost to avoid any dislocation of administration during the transition period.

7. On the other hand, at minor ports, where work connected with the administration of the Merchant Shipping Acts is small, the Government of India would wish to continue to utilise the services of the local provincial officers through the agency of the Local Government. They would, however, desire that work connected with the administration of the Merchant Shipping Acts should be inspected from time to time by their own officers, both of the District and of the headquarters staff, and they hope that the Government of Madras will agree to this.

Finance.

8. It is understood that the cost of services at the ports is now approximately covered by fees paid by shipping. No separate accounts, however, are available to show exactly receipts and expenditure. On the other hand, no contribution is made by shipping to the cost of administrative and other overhead charges. In the United Kingdom, fees are levied so as to cover a proportion of the aggregate cost of the whole administration, from the salary of the Principal Assistant Secretary, Board of Trade, who is the head of the Mercantile Marine Department, down to the cost of services at the ports. It will be considered later whether it would be desirable to adopt this principle in India. In any case, fees will continue to be credited to central revenues, and the cost of services and administration will be met by appropriations and submitted to the vote of the Legislative Assembly in the form of demands for grants. But it is considered that a separate *pro forma* accounts should be maintained in order to show exactly how far expenditure is covered by receipts. It should be understood that it is not intended that the centralisation of the administration should impose any serious additional burden on shipping.

9. At the same time some adjustment would appear to be necessary in respect of the debits which are now accepted by the Government of India on account of the agency work done by the Marine Departments of Local Governments. This would also be a matter for subsequent consideration and settlement.

Amendment of the Indian Merchant Shipping Act.

10. Appended to this letter is a draft Bill to amend the Indian Merchant Shipping Act, 1923, so as to vest the statutory powers in the Governor General in Council. The amendments, which are specified in the Schedule to the draft Bill, are mainly formal, substituting the words Governor General in Council for Local Government and making the necessary consequential amendments. There are only two matters that appear to require further explanation.

In the first place, it will be observed that clause 7 of the Bill empowers the Governor General in Council to delegate to any Local Government all or any of his powers under the Act. This

provision seems desirable in order to give the necessary elasticity in administration during the period of transition, and to permit the delegation of powers in matters which, it may be found, can more conveniently continue to be administered through the agency of the Local Governments. For instance, the Government of India would wish that powers under Sections 188, 206 and 207, relating to the medical inspection of native passengers and pilgrims, should continue to be exercised by Local Governments, at any rate until the question of the administration of the subject port quarantine has been decided.

11. Secondly, the procedure that should be provided in Part VI of the Indian Merchant Shipping Act, 1923, for inquiries and investigations into shipping casualties presents certain difficulties. The primary object of these inquiries and investigations is to ascertain, from the professional and technical aspect, the causes of the casualty, and to determine whether the certificates of competency of the persons involved should be cancelled or suspended. From this point of view they relate only to the central subject of shipping and navigation and are, therefore, the concern of the Government of India. But if any criminal offence should be disclosed, the administration of justice, which is a provincial subject, would be affected. Moreover, it is necessary that a formal investigation should be conducted by a Magistrate, who would be a servant of the Local Government. In these circumstances, the Government of India suggest that it would be convenient and appropriate to adopt so far as possible the procedure prescribed in Sections 465 to 467 of the Merchant Shipping Act, 1894. That is, the officer appointed by the Governor General in Council in this behalf, who would ordinarily be the Principal Officer, would make a preliminary enquiry and might, either on his own motion or under the direction of the Governor General in Council, apply to the Magistrate appointed by the Local Government for this purpose to hold a formal investigation. The Magistrate would then hold a formal investigation with the assistance of assessors appointed out of a list of persons for the time being approved by the Governor General in Council.

Further, it would be provided that copies of the first information, of the report of the preliminary inquiry and of the report of the formal investigation should be sent to the Local Government, in order that it might be kept informed of the proceedings and be able to take action if any criminal offence should be disclosed.

12. I am now to ask that the Government of Madras, after obtaining such commercial opinion as they think fit, will furnish the Government of India with their views on these proposals and on the draft Bill to amend the Indian Merchant Shipping Act, 1923. I am to add that in Article 3 of the Recommendation concerning the general principle for the inspection of the conditions of work of seamen, adopted by the International Labour

Conference, at its ninth session held at Geneva in June, 1926, the Conference recommended that "whenever it is compatible with administrative practice and in order to secure the greatest possible uniformity in the enforcement of the laws and regulations relating to the conditions under which seamen work, the different services or bodies responsible for supervising the enforcement of such laws and regulations should be centralised under a single authority." And when this Recommendation was brought before the Indian Legislature at its last session, as required by Article 405 of the Treaty of Versailles, a hope was expressed that a Bill to amend the Merchant Shipping Act for this purpose would be introduced at the next Delhi session. The Government of India, therefore, would be obliged if they could receive the opinion of the Government of Madras by the 1st January, 1928.

I have the honour to be,

Sir,

Your most obedient Servant,

G. L. Corbett,

Secretary to the Government of India.

Chamber of Commerce, Madras, 23rd January, 1928.

To the Presidency Port Officer,

Madras.

Sir,—I have to acknowledge your letter No. 2363 Gl-1 of the 18th November last, together with its enclosures and to state that the proposals set out in the latter have received the careful consideration of the Chamber.

I am to state the Madras Chamber desires to accord the Government of India's proposals in this regard its strong approval, as it appreciates that they are framed with the aim of securing uniformity in Mercantile Marine Administration and considers any scheme designed to make this more effective as highly desirable and worthy of support.

Regarding particular proposals I am desired to refer especially to the one on page 3, para 8, of the Government of India, Commerce Department's letter No. 186-S.(33), dated Delhi, 8th November, 1927, under the heading Finance; the Chamber in, regard to this important point feels that, whilst noting the Government of India's expressed intentions that their present proposals should not impose a serious additional financial burden on Shipping, any suggestion to increase the fees at present paid

by Shipping which are already high, will require the most thorough investigation. It further considers as regards this question that particular attention should be directed to the interests of the minor ports of the Presidency.

To instance the point,—Up to a few years ago a Coasting Steamer from Calcutta to Bombay paid one set of Port Dues for the East and another for the West Coast groups of Minor Ports. With the raising of Vizagapatam, Tuticorin and Cochin to major ports status steamers trading on the coast are subject to additional Port Dues for calls at those Ports and these extra dues constitute a great handicap to Coastal Shipping, already subjected to severe competition from the Railways. I am to advance therefore that the imposition of additional charges might well have the effect of curtailing Coastal Shipping Services with its inevitable corollary of reduction in the minor ports' revenue.

In regard to the relative Draft Bill, as it only embraces the amendments necessary in the Indian Merchant Shipping Act, 1923, to give effect to the Government of India's proposals, the Madras Chamber has no comments to offer thereon.

I have, etc.,
H. Waddington,
Secretary.

TIMINGS OF THE CEYLON BOAT MAIL TRAINS.

Post and Telegraphs, Madras, 19*th January*, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—I have the honour to forward herewith a copy of a letter No. T.T. 2081/73, dated the 28th December, 1927, from the Chief Transportation Superintendent, South Indian Railway, together with a copy of the abstract time table advised therein and to request the favour of an expression of your views in the matter.

I have, etc.,

for *Postmaster-General.*

[ENCLOSURE.]

Copy of letter No. T.T. 2081/73, dated the 28th December, 1927, from the Chief Transportation Superintendent, South Indian Railway, Trichinopoly, to the Postmaster-General, Madras.

I have the honour to forward herewith a rough abstract time table showing the present and proposed timings, between Madras and Dhanushkodi; in the event of this train service being adopted will you please let me know by what trains the mails will be conveyed and if the timings are convenient.

No. 2 Ceylon Mail		STATIONS			No. 1 Ceylon Mail	
Proposed	Present				Present	Proposed
19—5	7—0	*A*	Madras Egmore	*D*	20—40	11—30
23—0	10—40	*D*	Danushkodi	*A*	16—15	7—5
22—0	9—30	*A*	Danushkodi	*D*	17—10	8—0
20—0	7—20	*D*	Talaimannar	*A*	19—20	10—0
19—0	6—0	*A*	Talaimannar Pier	*D*	20—15	11—0
11—0	19—0	*D*	Colombo Fort	*A*	8—13	19—0

Government of Madras, Public Works and Labour Department, Fort St. George, Madras, 26th January, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—I am directed to forward a copy of letter No. M.1 2/1928 Ch. 1, dated 19th January. 1928, with enclosure from the Postmaster-General, Madras, and to request that you will be so good as to intimate to Government at an early date the views of your Chamber as to whether the proposed timings are suitable.

I have, etc.,

for *Secretary to Government.*

Chamber of Commerce, Madras, 9th February, 1928.

To the Postmaster-General,

Madras.

Sir,—I have to acknowledge your letter No. M.1.2/1928 Ch.1 dated the 19th January, 1928, forwarding copy of communication from the Chief Transportation Superintendent, South Indian Railway, Trichinopoly, together with a copy of the abstract time table showing the present and proposed timings between Madras and Dhanushkodi and to state that the proposed alterations were discussed at the last monthly general meeting of the Chamber.

It was resolved to advise you that the Chamber sees no advantage to be derived from the proposed alteration in timing of the Passenger train, which it was considered would be less convenient than the present timing and strongly protests against the mails being carried by trains running in accordance with the proposed timings between Madras and Colombo as such timings would for all practical purposes mean an extra day's delay in delivery of letters.

I have, etc.,
H. Waddington,
Secretary.

Chamber of Commerce, Madras, 10th February, 1928.

To the Secretary, Government of Madras,
Public Works & Labour Department,
Fort St. George, Madras.

Sir,—In continuation of my letter of the 31st ultimo, I have the honour to forward copy of the Madras Chamber's communication dated the 9th February, addressed to the Postmaster-General on the proposed timings between Madras and Dhanushkodi.

I have, etc.,
O. P. Chetty,
Asst. Secretary.

RAILWAY RATES FOR PETROL.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 14th June, 1928.

To All Members of the Association,

Sir,—I am directed by the President to invite your consideration of the attached copies of a letter, dated 31st May, and of its accompaniments, which he has received from the Upper India Chamber of Commerce.

2. The correspondence deals with the subject of the application of the telescopic railway rates for petrol, the adoption of which, in place of the former uniform mileage rate, was announced by the Hon'ble Sir George Rainy when introducing the Railway Budget in the Assembly on 20th February last. His reference to the matter, and the reference in the Explanatory Memorandum of the Railway Budget, are quoted in the Upper India Chamber's letter of 7th April to the Government of India, which forms part of the correspondence. The President considers that the two references justify the impression that it was intended that the telescopic rates should apply, as is the case with rates for coal, to through transit over more than one railway system, at any rate so far as State-managed railways are concerned; and he proposes that the Association should address the Railway Board in support of the representations of the Upper India Chamber. He will however be glad to have the views of the Chambers on any points in connection with the matter, and particularly to know whether his proposed action is approved.

I have, etc.,

D. K. Cunnison,

Secretary.

[Enclosure.]

Letter dated Cawnpore, the 31st May, 1928, *from the Upper India Chamber of Commerce, to the Associated Chambers of Commerce of India and Ceylon.*

I am directed to forward for the information of the President copies of correspondence which has passed between this Chamber and the Railway Board on the subject of the application of the telescopic rates for petrol announced in the Legislative Assembly on the 20th February, 1928.

I am directed to express the hope that the President will see fit, after perusing this correspondence, to address the Railway Board in support of the Chamber's contention that the telescopic rates were intended to be and should be made applicable to through distances in bookings over two or more railways.

Letter dated Cawnpore, the 30th March, 1928, *from the Upper India Chamber of Commerce, to the Government of India, Railway Board.*

In view of the announcement recently made by the Hon'ble Member for Railways of the introduction of a telescopic rate of freight on petrol, amounting to a reduction in the case of distances over 300 miles, and consequent on the passing of this proposal by the Legislature, I am directed to state that the Committee of this Chamber and the British India Corporation, Ld.

do not desire to proceed further with their applications for the reduction of the freight on petrol.

The Chamber for its part accordingly requests permission to withdraw the application and asks that the proceedings now pending before the Railway Rates Advisory Committee may be terminated without prejudice to either party.

Letter dated Cawnpore, the 7th April, 1928, from the Upper India Chamber of Commerce, to the Government of India, Railway Board.

I am directed to address you in continuation of my letter of the 30th March on the subject of railway freights on petrol and requesting permission to withdraw the application for the reduction of the freight on petrol and the termination of the proceedings now pending as a result of the application before the Railway Rates Advisory Committee.

In announcing the proposed introduction of a telescopic rate for petrol the Hon'ble Railway Member said:—

> "Petrol at present pays a uniform rate which works out at 83 pies per hundred miles. We propose to substitute a telescopic scale which will affect all distances in excess of 300 miles and means a reduction of 19 per cent. for 500 miles, 30 per cent. for 750 miles and 34 per cent. for 900 miles."

The Explanatory Memorandum issued with the Railway Budget stated:—

> "We consider the present a suitable time for reducing the rates on the carriage of petrol for long distances; and in order to encourage this traffic we intend to adopt the following telescopic rate at owners' risk on all State-managed railways instead of the present rate of 0.83 pies per maund per mile for all distances."

Both the Hon'ble Railway Member's remarks and the explanation in the Memorandum stress the point that the telescopic rate is to be applicable *for all distances.*

This has naturally been held to mean that the telescopic rate for petrol, like the telescopic rate for coal, will be a through telescopic rate applied to the total distance the traffic is carried and not applicable separately to the distances on each separate system over which the traffic passes.

Advices have, however, been received which go to indicate that the reverse is the intention and that where the traffic passes over two or more systems the telescopic rate will only apply separately to each, and not to the continuous mileage.

That there is ground for this apprehension is evident from a remark which appeared in a contributed article on *Railway Rates and Indian Industrial Development* published in *Capital* of March 15th, where it is said: "These telescopic or schedule rates, as they are called, are with one important exception, applied only on the distance covered on each railway administration and do not apply on the continuous mileage in through traffic."

The important exception here referred to must of course be coal and it was hoped and is still believed, that the intention was to apply the telescopic rate to petrol in the same way as it is applied to coal.

The grounds for such similar application are identical in both cases, in that the traffic originates in one or more specialised centres or areas and that the more remote parts of the country must draw their supplies from these centres.

In the case of coal the centres are the coal fields. In the case of petrol the centres are the ports or the Assam or Attock Oil Fields.

If advantage is to be obtained from the introduction of the telescopic rates for petrol long distance traffic must be reckoned on the continuous through mileage.

Permission to withdraw the application was applied for clearly on this basis and on the full understanding that the words *all distances* used by the Hon'ble Railway Member and in the Explanatory Memorandum implied this.

My Committee will be greatly obliged if the matter is made clear.

Letter No. 2077-T., dated Simla, the 4th May, 1928, from the Government of India, Railway Board, to the Upper India Chamber of Commerce.

With reference to your letter, dated 7th April, 1928, I am directed to state that the telescopic rates for petrol announced in the Legislative Assembly on the 20th February, 1928, will not apply on through distances in bookings over two or more railways but will apply separately on each railway.

2. I am also to say that the Railway Board have no objection to the withdrawal of the application of the Committee of your Chamber and that of the British India Corporation, Ltd., pending before the Railway Rates Advisory Committee as intimated in your letter, dated the 30th March, 1928.

Letter dated Cawnpore, the 31st May, 1928, *from the Upper India Chamber of Commerce, to the Government of India; Railway Board.*

I am directed to refer to your letter No. 2077-T., dated the 4th May, 1928.

My Committee note with surprise and the profoundest disappointment that the telescopic rates for petrol announced in the Legislative Assembly on the 20th February, 1928, will not apply on through distances in bookings over two or more railways, but will apply separately on each railway.

In my letter to you of the 7th April, 1928, I had endeavoured to make it clear that the terms of the announcement by the Hon'ble the Railway Member and the Explanatory Memorandum issued with the Railway Budget had both stated that the telescopic scale would apply to *all distances in excess of* 300 *miles* which was obviously read to imply that they would be applicable to through distances. As it is, it is clear that they will not apply to all distances in excess of 300 miles but only to all distances on each railway.

This, in the estimation of my Committee, is an entirely different proposition and would appear to be an avoidance of the actual announcement, as well as a most ungenerous extension of a concession which was long overdue.

The application of the telescopic rate in the way it is now intended to apply it, must, of necessity, go far, if not entirely, to defeat the very purpose of the concession, which is to assist to the greatest degree the consumer situated furthest from the source of supply.

Actually in its application the concession now brings little if any advantage to consumers situated at, say, Kathgodam on the R. and K. Railway who obtain their supplies from the Assam Fields and which in transit have to pass over at least three systems of railway. These consumers, if any, require the concession and yet to them it is in effect denied. My Committee cannot believe that this was the intention when the concession was announced.

I have, in my previous letter already referred to, also endeavoured to show that ample grounds exist for applying the telescopic rate to petrol in the same way that it is applied to coal, but my references to the similarity of traffic appear to have been overlooked.

Both petrol and coal are fuels, and as such the one is as imperatively a necessity for transportation as the other is for industry. Both may be regarded as monopolistic and both are available only from circumscribed localities or centres.

From every point of view therefore, both should be treated alike and it can be no more urged in regard to petrol that the through application of the telescopic rate would be a hardship on the railways more remote from these producing centres than this could be urged in regard to coal.

My Committee cannot but give expression to their amazement on realising that the Railway Board has treated this matter with such an utter lack of imagination and I am directed to urge that the Board will reconsider their decision and will give effect to the concession to the full extent of the obvious original intention.

Chamber of Commerce, Madras, 28th June, 1928.

To the Secretary, Associated Chambers of Commerce of India & Ceylon,
Calcutta.

Sir,—I beg to thank you for your letter No. 44-A.C., dated 14th instant, with reference to Railway rates for petrol.

I am directed to inform you that the Madras Chamber is in full agreement with the President's proposal to address the Railway Board in support of the representations of the Upper India Chamber. It is considered most unfair that the consumer who resides, say, 600 miles away from the main source of supply, and whose petrol has to travel over three Railway systems, should be treated differently from the consumer whose petrol reaches him from a similar distance but over one Railway only. At present 34 stations in this Presidency, where there are petrol agencies, benefit by the telescopic rate which allows reductions to be made of from one half to one anna in the price per gallon at those places. If the telescopic rate were made to apply to all distances, irrespective of Railway system, approximately 45 other petrol stations would be affected and would enable reductions in price to be made varying from a half to one and a half annas per gallon.

I have, etc.,
C. H. Brock,
Secretary.

The Associated Chambers of Commerce of India and Ceylon, Calcutta, 28th August, 1928.

To the Secretary to the Government of India,
Railway Board, Simla.

Sir,—I am directed to address you with regard to the application of the telescopic railway rates for petrol, which was the subject of mention by the Hon'ble Member for Commerce in the course of the introduction of the Railway Budget in the Legislative Assembly on 20th February last.

2. The Upper India Chamber of Commerce has already been in correspondence with you on the subject, their contention being that the remarks of the Hon'ble Member indicated that the introduction of the telescopic rates would as in the case of the similar rates for coal, apply to through traffic for all distances over separate railway systems, and not be limited to traffic over a single system. In letter No. 2077-T., dated 4th May, 1928, from the Government of India, Railway Board, in reply to the Upper India Chamber it was stated that the rates would not apply on through distances in bookings over two or more railways, but separately on each railway. In their further letter to you, dated 31st May, the Upper India Chamber pointed out that this drastic limitation of the concession would go far to defeat the purpose, which was presumably to assist to the greatest degree the consumer situated furthest from the source of supply. The Chamber argued further that the position of petrol was analogous to that of coal, and that as the concession had already been given in the case of the latter it should equally be applied to the case of petrol.

3. The question has been before the Associated Chambers and I am instructed to say that they support the view of the Upper India Chamber in the matter, at any rate so far as the State railways are concerned. They fully appreciate that in the case of coal the concession was accepted by the company-managed lines, and that it would be necessary to make a special reference to them in regard to allowing the telescopic rates for petrol to be applied in through bookings between contiguous railways. But in the first place the Chambers feel very strongly that the concession should be allowed in the case of the State railways, and they would then be prepared to approach the company lines with a view to the concession being granted by these. It has been pointed out that in the Madras Presidency thirty-four stations where there are petrol agencies benefit by the telescopic rate but that if the rate were applied to through distances over different systems between forty and fifty other petrol stations would be affected. The Karachi Chamber has pointed out that in the area which receives its supplies from that centre the consideration of the different railways as being entirely separate systems does not produce any striking differentiation in rates, and does not affect any considerable quantities whereas if the whole of the railways in the area were regarded as one system for this purpose a reduction of half an anna per gallon would be feasible in Dehra Dun and reductions of one anna in such places as Alwar and Bhiwani.

4. The Chambers desire also to invite the attention of the Railway Board to a point in connection with the development of bulk petrol storage. Depôts for this purpose are now being erected all over the country, a large proportion of the petrol stored at these depôts being oncarried after it has been filled into tins. With a view to cheapening the cost of petrol up-country

and opening up the interior it has been suggested that consideration might be given to the question of applying concessional rates to petrol thus oncarried regardless of the fact that at a certain point it has been converted from bulk. The Chambers will be glad if they may be favoured with the views of the Board on this suggestion.

I have, etc.,
D. K. Cunnison,
Secretary.

Copy to :—All Members.

FREIGHT RATES ON FOREIGN RAILWAYS.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 21*st August,* 1928.

To All Members of the Association.

Sir,—The President recently received a letter from the Karachi Chamber of Commerce regarding difficulties experienced by commercial interests in obtaining correct quotations for freight rates over foreign lines. During the course of correspondence which the Karachi Chamber had with the North-Western Railway enquiry was made as to whether it would be possible for the railway to accept responsibility for such rates or to undertake the prompt confirmation of these within a few days. The railway replied that responsibility could not be accepted, and suggested that references for information regarding such rates were received to an unnecessary extent in view of the fact that the information could easily be obtained by enquirers themselves from the tariffs; the opinion was, further, expressed that a reference should be made to the railway only when a firm might have reason to doubt the accuracy of the rates ascertained by their own staff.

2. It seemed to the President that the point was one of considerable importance, but before bringing it to the notice of the Chambers he thought it desirable that he should address the Railway Board regarding it with a view to eliciting their views on the point involved. When addressing the Board the President expressed the opinion that it was very desirable that the head offices of railways in the different provinces should be prepared to give freely any information and assistance that might be available to them. "The calculation of railway rates," he proceeded, "is such a technical matter that it is frequently by no means easy for a mercantile firm to ascertain through rates from the tariffs and it will be realised that the railway rates calculation will frequently determine whether or not a business that is contemplated can be undertaken. In these circumstances it is essential that the merchant should be able freely to consult expert opinion, namely, the head office of the commercial department of the railway situated in his province; and in the

event that the railway applied to for the information is unable to accept responsibility for the accuracy of the quotations, it seems to the President important that such railway should at any rate undertake to ascertain with the utmost promptitude, and to notify the enquirer, whether the quotations given are correct''.

3. The President has received from the Railway Board a reply stating that there are certain practical difficulties in the way of railways quoting correct freight rates in through booking, but added that instructions have been issued to State-managed railways that steps should be taken to ensure the quotation of correct freight rates in through booking and, if necessary their confirmation within a reasonable period. The President thinks that the Board's letter goes as far as can be expected for the main point upon which an assurance is required is that there shall be the earliest possible confirmation from connecting railways as to the correctness of the through booking rates quoted by the originating railway. The President is bringing the position to the notice of the following lines, namely :—

The Assam-Bengal Railway
The Bengal-Nagpur Railway
The Bengal and North Western Railway.
The Bombay-Baroda and Central India Railway
The Madras and Southern Mahratta Railway
The South Indian Railway

and he is expressing the hope that these railways will be good enough to assist commercial interests by taking similar action to that which the Railway Board has asked State-managed railways to take.

I have, etc.,
D. K. Cunnison,
Secretary.

RAILWAY FREIGHTS ON GROUNDNUTS FROM POLLACHI TO MADRAS.

Madras, E., 17*th August*, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—We beg to enclose copy of a letter we are addressing the Chief Commercial Superintendent, South Indian Railway, Trichinopoly. We should feel much obliged if the Chamber of Commerce would lend its support.

We have, etc.,
Louis Dreyfus & Co.

[ENCLOSURE.]

Madras, 17th August, 1928.

TO THE CHIEF COMMERCIAL SUPERINTENDENT,
SOUTH INDIAN RAILWAY,
Trichinopoly.

SIR,—With reference to our previous correspondence ending with our letter of the 13th August to which we await your reply we have to-day had an opportunity to see your letter No. R.7462/744 of the 9th instant, to one of our competitors. We see from the concluding sentence of that letter that you cannot make at present any further reduction from the existing rate because the matter is still under correspondence as the Calicut Chamber of Commerce is objecting to Madras being given preference over Calicut. In respect of this, we may say we are addressing our agents in Calicut in this connection. None of the groundnut shippers has any special or predominating interest to see groundnuts going via Calicut, quite the contrary. The groundnut shippers are generally represented in Calicut by shipping agents and those who form the Chamber of Commerce object to Madras being given preference over Calicut are most probably those shipping agents and freight agents. From the shippers' point of view, we can only say and are convinced that our competitors agree with us that we have every interest to export the Pollachi district's crop via Madras, if such is possible on a competitive basis compared with Calicut. The reasons for shippers' preference via Madras are that owing to insufficient godown accommodation in Calicut, difficulty with labour and very often prolonged unfavourable weather, shipments via Calicut have proved during all the past years to be attended with undue and almost incalculable risks. We should therefore feel exceedingly obliged if you would kindly, before arriving at a final decision regarding these freight rates, collect the opinion of the actual shippers, i.e., those who are most interested and in our opinion, have got a right to express an opinion, how the produce bought with their money and at their risk is to be manipulated and transported. As arrivals in the district marketing centres have started, we should feel obliged if this matter would receive your immediate attention.

We have, etc.,
LOUIS DREYFUS & CO.

Chamber of Commerce, Madras, 28th August, 1928.

To Messrs. Louis Dreyfus & Co.,

Madras.

Sirs,—I understand that you have received a reply from the South Indian Railway notifying the re-introduction of the Special freight rate on Groundnuts from Pollachi to Madras.

I shall be obliged if you would be so good as to favour me with a copy of the South Indian Railway's letter to you to this effect.

I have, etc.,

C. H. Brock,

Secretary.

Madras, E., 31st August, 1928.

To the Secretary, Chamber of Commerce,

Madras.

Sir,—We are in receipt of your letter of the 28th instant, and in reply to beg to inform you that we have not received any communication yet from the South Indian Railway Co., notifying the re-introduction of the special freight rate on groundnuts from Pollachi to Madras. As soon as we get it, we shall not fail to let you have a copy of it. However, we are sending you copy of a letter No. R.d.101, dated 24th August, 1928, from the South Indian Railway Co., prior to the Chamber meeting of the 27th instant.

We have, etc.,

Louis Dreyfus & Co.

[Enclosure.]

South Indian Railway, Trichinopoly, 24th August, 1928.

To Messrs. Louis Dreyfus & Co.,

Madras.

Sirs,—I thank you for your letter No. G.L.234/35 of the 17th instant, and beg to inform you that I am in entire sympathy with your point of view.

In my correspondence with the Calicut Chamber of Commerce I pointed out that there was, in spite of the special rate to Madras, practically a four anna difference in favour of Calicut and the reduction to Madras was in accordance with the accepted practice on Railways, viz., encouraging longer lead traffic, the distance being nearly 3 times as great to Madras. I therefore suggested that the obvious remedy seemed to be for the firms

interested in shipping to come down in their shipping rates. Their reply was that my reference to shipping rates seemed rather outside the point at issue but nevertheless they informed me they were fully alive to the necessity of keeping these rates as low as possible and notwithstanding the fact that much more haulage and handling by coolies was involved, they understood that Calicut rates for receiving and shipping were approximately at the same level as the rates in Madras and that it was their intention to still further reduce their shipping rates in order to foster this trade in every way. They added the matter was one of great urgency as several shippers were proposing to increase their godown accommodation and likewise their fleets of lighters in order to deal with the steadily growing traffic but that they could not afford to take the risk of doing this unless they had some assurance from the Railway Company that they could expect as proportionately a favourable rate as rates to other ports.

This made it obvious that as long as rates to other ports were not interfered with the business was a remunerative one as far as Calicut was concerned. They concluded by saying that the matter was of such importance not only to the trade but to the town of Calicut that failing a favourable reply they would feel compelled to take the matter up through the Collector and other appropriate Government authorities. They got the Coimbatore Chamber to support them in their protest.

I see you have addressed a copy of your letter to all interested parties including the Madras and Southern Mahratta Railway, Madras Port Trust and the Madras Chamber of Commerce. I should be interested to hear the outcome of your protest.

As far as this Railway is concerned we are perfectly willing to reintroduce the special rate but are not prepared to lose revenue unnecessarily by reducing an already reasonable short distance rate to still further increase the large profits of interested parties at Calicut.

Since writing the above I called to mind Messrs. Parry and Co.'s successful campaign on behalf of the Port of Cuddalore as opposed to Pondicherry but of course this was presumably conceded due to the fact that Pondicherry was a foreign port and Cuddalore a British port. In the case of Calicut and Madras, they are both British ports.

I have, etc.,

A. W. Acres,

Chief Commercial Supdt.

MUL
126049

Chamber of Commerce, Madras, 31*st August*, 1928.

To Messrs. Louis Dreyfus & Co.,

Madras.

Sirs,—I beg to thank you for your letter of date enclosing letter from the South Indian Railway with regard to freight rate from Pollachi to Madras.

The letter you sent us is the one referred to by Mr. Acres at the Chamber meeting last Monday. The letter in itself is not very clear but taken with the remarks made at our meeting it is so.

Mr. Acres definitely promised to re-introduce the special rate from Pollachi to Madras but he was not prepared to quote any special rate to Calicut, to which Port the lead was short, railway freight was a negligible item, and it was obvious that the business was a remunerative one as far as Calicut was concerned.

I have, etc.,
C. H. Brock,
Secretary.

Chamber of Commerce, Madras, 1*st September*, 1928.

To the Chief Commercial Superintendent, South Indian Railway,

Trichinopoly.

Sir,—With reference to your remarks at the last meeting of this Chamber, I understood you to say, that the former special rate from Pollachi to Madras on groundnuts was to be introduced immediately. Would you kindly confirm that this rate has been re-introduced as I have had several enquiries in this office about it.

I have, etc.,
C. H. Brock,
Secretary.

Chamber of Commerce, Calicut, 4*th September*, 1928.

To the Secretary, Chamber of Commerce,

Madras.

Sir,—I gather from item No. 5 of the Minutes of Proceedings of your Chamber meeting held on 27th ultimo that the South Indian Railway are likely to again introduce a special reduced rate on groundnuts from Pollachi District to Madras immediately.

When a similar special reduced rate was introduced last season this Chamber made a protest to the South Indian Railway and after some correspondence the Chief Commercial Superintendent cancelled the same with effect from February, 1928.

I shall be much obliged if you will kindly advise me as to the special rate which it is now proposed to introduce on groundnuts from Pollachi to Madras.

I have, etc.,
L. B. Gillies,
Honorary Secretary.

South Indian Railway, Trichinopoly, 4th September, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—I have already notified a reduced rate of Re. 0-12-1 from Pollachi to Madras for groundnuts as being in force on and from the 1st instant.

I have, etc.,
A. W. Acres,
Chief Commercial Supdt

Chamber of Commerce, Madras, 12th September, 1928

To the Secretary, Chamber of Commerce,
Calicut.

Sir,—I beg to thank you for your letter, dated 4th instant, and in reply beg to inform you that the special reduced rate of Re. 0-12-1 from Pollachi to Madras for groundnuts has been re-introduced as from the 1st instant. When this special rate was withdrawn in February last, largely I understand owing to your representations to the South Indian Railway, groundnut shippers who are members of this Chamber protested strongly and it is in consequence of this the South Indian Railway have re-introduced the former special trade. The Chief Commercial Superintendent points out that there is, in spite of the special rate to Madras, practically a four anna difference in favour of Calicut, and that the reduction to Madras is in accordance with the accepted practice on Railways, namely, encouraging longer lead traffic, the distance being nearly three times as great to Madras as it is to Calicut, and he was perfectly willing to re-introduce the special rate, but he is not prepared to lose revenue unnecessarily by reducing an already reasonable short distance rate.

I have, etc.,
C. H. Brock,
Secretary.

South Indian Railway, Trichinopoly, 11th September, 1928.

To the Secretary, Chamber of Commerce,

Calicut.

Sir,—I have to acknowledge receipt of your telegram of the 8th protesting against the re-introduction of the reduced rate from Pollachi to Madras.

2. You will doubtless remember previous correspondence on this subject which led to the rate being withdrawn. The reason for its re-introduction is as follows:—

"Messrs. Louis Dreyfus and Messrs. C. K. Narayana Iyer and Sons and others of Madras have been pressing me to re-introduce this rate and were given the reasons for its withdrawal, the former firm approached the Madras Chamber of Commerce on the subject. Both firms mentioned above pointed out to me that they had groundnuts lying at Pollachi exposed to the weather and that while they approached shipping firms at Calicut they were informed these latter could not undertake shipping groundnuts at the present time. They sent me letters in original from the Madura Co. I attended the Madras Chamber meeting on the 27th August, when the subject was discussed and explained matters. I called to mind the Cuddalore versus Pondicherry campaign well known to the Madras Chamber and remarked that in that case a foreign port was concerned whereas Calicut and Madras were both British ports. I further stated that the Calicut Chamber had apparently no grievance in regard to the Pollachi-Calicut rate as long as a reduced rate was not given for another port; by their own showing shippers in Calicut were doing good business at the present rates and were extending godown accommodation and buying additional lighters, this certainly did not look as if the rates were killing the traffic. I pointed out even with the reduced rate to Madras there was a difference of nearly 4 annas a maund in favour of Calicut, the traffic from Pollachi to Calicut was in the loaded direction whereas to Madras not only were we able to carry the traffic in the empty running direction but the lead was 3 times as great and it was in accordance with general railway practice to quote low rates under these conditions; having explained matters to the Chamber as above I appealed to them for their support in the event of a protest from the Calicut Chamber."

3. I am sending the *Madras Chamber* a copy of this letter.

I have, etc.,

A. W. Acres,

Chief Commercial Supdt.

Chamber of Commerce, Calicut, 14th September, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—I write to acknowledge receipt of your letter of the 12th instant and have in the meantime received a reply from the Railway to my telegram of protest against the re-introduction of the special reduced rate from Pollachi to Madras side.

The situation is being considered by my Committee and we are addressing the Railway Board in the matter.

I have, etc.,
L. B. GILLIES,
Honorary Secretary.

South Indian Railway Co., Ltd.,
Trichinopoly, 22*nd October,* 1928.

TO THE CHAMBER OF COMMERCE,
Calicut.

SIR,—I have been through the correspondence that has taken place since I wrote my letter No. R.d.101/313 of the 11th September, and in reply, I have to say that during my visit to Madras from the 24th August to 1st September, in connection with urgent and important Railway business unconnected with groundnut traffic which kept me very fully occupied, I was called up three or four times on the telephone by representatives of firms which I took at the time to be Messrs. Louis Dreyfus and Messrs. C. K. Narayana Iyer and Sons, in regard to their groundnuts at Pollachi, which they explained were deteriorating owing to exposure and a much more serious matter as far as they were concerned was the utilisation of space in a steamer shortly to call at Madras.

2. I am quite certain that the question of shipping at Calicut came up more than once in these conversations and I was also told that it was quite impossible for the groundnuts to be spread out and dried anywhere on the West Coast owing to weather conditions then prevailing and it was not good business to bag and despatch groundnuts on a long sea voyage in a wet condition.

These telephone conversations were followed by requests for personal interviews and I certainly saw two Indian gentlemen and still believe one of them to have been a representative of Messrs. C. K. Narayana Iyer and Sons. In any case I am writing to both firms to ascertain whether or not they sent representatives to see me after conversing with me on the telephone.

3. I now find that the actual letter from the Madura Co., stating they were unable to undertake the handling of groundnuts was sent in by one Mr. Vythinatha Iyer who presumably has no connection with the firm of Messrs. Louis Dreyfus and Co., or C. K. Narayana Iyer and Sons.

4. I regret the mistake especially as it seems to have caused misunderstanding and unpleasantness between your chamber and the Madura Co., and can only say it was due to my pre-occupation as explained above and having at the back of my mind the certainty that I had been shown a letter from the Madura Co., stating they were unable to undertake the handling of groundnuts. It was not unreasonable of me to assume that the known monsoon conditions prevailing at Calicut at the time would affect all groundnut shipping firms. This however was merely by the way as the groundnut season does not as a rule coincide with the monsoon on the West Coast so that any difficulty that may be experienced in handling and shipping in Calicut during the monsoon cannot possibly have had any effect on my decision to reduce the rate for groundnuts from Pollachi to Madras which still left a substantial margin in favour of Calicut and give the Railway a comparatively long haul in the empty running direction. Handling and shipping facilities at Calicut never entered into the question when the original reduction in the rate to Madras was made.

5. In this connection you state in your letter under reply that "you cannot quite see how a purely seasonal traffic can help materially in getting wagons back to Madras" but surely it is obviously better to fill a certain portion of empty wagons for 3, 4, 5 or 6 months of the year. in accordance with the duration of the groundnut season than to let all the wagons run empty throughout the year.

6. With regard to the last para of your letter, I can only refer you to my letter No. R.d.101/313. dated 11th September, 1928. In order that there may be no further misunderstanding, I am sending a copy of this letter to the *Madras Chamber* and also to the Madura Co., Calicut.

I have, etc.,

A. W. ACRES,

Chief Commercial Supdt.

REDUCTION OF RAILWAY FREIGHT ON MANURES.

Chamber of Commerce, Calicut, 20th April, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—I enclose herewith for your information copy of letter dated 15th April, 1928, addressed to the Railway Rates Advisory Committee on the above subject. I shall be glad if you will kindly support our representations.

I have, etc.,
L. B. Gillies,
Honorary Secretary.

[Enclosure.]

Chamber of Commerce, Calicut, 15th April, 1928.

To the Secretary,
The Railway Rates Advisory Committee,
Delhi.

Sir,—The Chambers of Commerce of Madras, Coimbatore, Tellicherry and Calicut, have in turn for some time been corresponding with the respective Railway authorities on the above subject.

This matter however has now been handed over to us by the above mentioned Chambers to deal with as a number of members of this Chamber are particularly interested in the subject.

There is a widespread feeling not only amongst dealers in fertilisers but aslo amongst the consumers, viz., planters and ryots, that the schedule rates more particularly on the South Indian Railway and on the Madras and Southern Mahratta Railway are prohibitive and as such constitute a very serious hindrance to the planting and agricultural development of India.

The Railway Companies themselves, we maintain, acknowledge the fact that schedule rates are too high by allowing from time to time specially reduced rates on manures between certain stations. It has been felt generally that such specially reduced rates allowed only from one named station to another named station are of an invidious nature inasmuch as they give certain firms and certain sections of the community advantages over other firms and over other sections of the community and I have been asked by my Chamber to place before you a definite claim that railway freights on manures generally should be scheduled at rock bottom rates all round irrespective of distances, destinations or any other consideration.

It is a fact that the railway freight on manures in very many instances represent an almost ridiculously high percentage of the cost of the individual manure and in very many instances the heavy cost of railway transport is further enhanced by the fact that this heavy railway freight is first charged on the raw material from sources of supply to the various fertiliser plants where the product is milled and prepared as a manure and then again further freight is incurred on the prepared article from the fertiliser plant to the consuming centres.

I give an instance here as an illustration, viz., *Raw Bones* from Raichur to Calicut:—

	Rs.	A.	P.
Cost per ton f.o.r. Raichur	55	0	0
Railway freight to Calicut	22	0	0
Railway freight on *Bone Meal*			
Calicut to Birur per ton	20	0	0
,, ,, Coimbatore ,, ...	8	0	0
,, ,, Hassan ,, ...	20	13	0
,, ,, Mangalore ,, ...	3	11	0
,, ,, Mysore ,, ...	17	11	0
,, ,, Mettupallium ,, ...	9	1	0
,, ,, Ootacamund ,, ...	21	0	0
,, ,, Palghat ,, ...	5	14	0
,, ,, Pollachi ,, ...	3	14	0

The above rates also clearly illustrate the wide discrepancies between special station to station rates and stations where there are no special station to station rates.

Mangalore and Pollachi have special station to station rates from Calicut.

As matters stand at the present moment there is a considerable discrepancy between the schedule rates for manures over the various railway organisations and to cite an instance I quote the general schedule rates per maund for manures over the Great Indian Peninsular and South Indian Railways' systems:—

	G. I. P.				S. I. R.			
51 miles	Rs.	0	0	10	Rs.	0	1	7
100 ,, ...		0	1	8		0	2	10
150 ,, ...		0	2	5		0	3	8
200 ,, ...		0	3	1		0	4	6
250 ,, ...		0	3	8		0	5	4
300 ,, ...		0	4	3		0	6	2
350 ,, ...		0	4	10		0	6	7
400 ,, ...		0	5	5		0	7	0
450 ,, ...		0	6	0		0	7	5
500 ,, ...		0	6	7		0	7	10
550 ,, ...		0	7	0		0	8	3
600 ,, ...		0	7	5		0	8	8

It will be seen that the schedule rates enforced on the Great Indian Peninsular Railway, are considerably lower than the schedule rates of the South Indian Railway, both rates however the members of my Chamber consider are far too high and there is amongst the members of this Chamber and amongst the members of the Madras Chamber, the Coimbatore Chamber, the Cochin Chamber and the Tellicherry Chamber a strong consensus of opinion that the railway freights on manures generally throughout the whole of India should be brought down to what is known as the Government minimum rate.

I have the honour to request you that you will be good enough to give due consideration to this matter which I think the members of your Committee will agree is not purely a matter of domestic economy of the railway organisations concerned. There is no doubt that a general cheapening in the railway freights on fertilisers will have a beneficial effect on the agricultural development of the whole of India.

In this connection it is not, I think, out of place to draw attention to the fact that Ocean freights to-day are generally speaking down to pre-war level whereas railway freights as yet generally speaking are about a hundred per cent. above pre-war level.

I have, etc.,
L. B. GILLIES,
Honorary Secretary.

Chamber of Commerce, Calicut, 26th April, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—In continuation of my letter of the 20th instant, I enclose for your information copy of a further letter addressed to the Railway Rates Advisory Committee.

I have, etc.,
L. B. GILLIES,
Honorary Secretary.

[ENCLOSURE.]

Chamber of Commerce, Calicut, 26th April, 1928.

TO THE SECRETARY,
THE RAILWAY RATES ADVISORY COMMITTEE,
Delhi.

SIR,—Further to my letter of the 15th instant, I am given to understand that it is proposed to reduce the rates on *manures* and *oilcakes* on the four State-worked Railways, viz., the East Indian, Eastern Bengal, Great Indian Peninsular and North-Western Railways and that the reduced rate will be 0.100 pie per maund per mile exclusive of terminal and other extra charges.

It seems to this Chamber that these reductions which are being introduced in through bookings from 1st June, 1928, support our contention that the railway freights on manures are unduly high over the Madras and Southern Mahratta and South Indian Railways.

I have, etc.,
L. B. Gillies,
Honorary Secretary.

Chamber of Commerce, Madras, 1st June, 1928.

To the Hon. Secretary, Chamber of Commerce.
Calicut.

Sir,—With reference to your letter of the 20th April, it was learnt from the representatives of the Madras and Southern Mahratta and the South Indian Railways, present at the meeting of the Chamber that both these railways are making a reduction in the railway rates on manures to the minimum scale.

I have, etc.,
C. H. Brock,
Secretary.

Chamber of Commerce, Calicut, 23rd July, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—You are no doubt aware that the Madras and Southern Mahratta (from 1st June), and South Indian (from 1st July) Railways announced a reduction of rates on manures of all kinds to one-tenth pie per maund per mile plus terminals and short distance charges wherever leviable: this rate not to apply to traffic booked to Madras harbour, Marmagoa harbour and other Indian Ports intended for shipping.

We now understand from the Railways concerned that these rates do not apply in the case *of raw bones, lime* and *oil cakes* intended for preparing manures. Copies of letters dated 7th and 16th July, 1928, received from the Chief Commercial Superintendent, South Indian Railway, are enclosed. These letters were considered at the meeting of this Chamber, when it was unanimously resolved to telegraph the Chief Commercial Superintendent, Trichinopoly, as under:—

> "Manure Freights reference your letter sixteenth. Agree withdraw our application provided you at once admit under Schedule C/FF all raw materials for manures including bones, oilcakes, lime to any station on consignees guarantee such stocks are for manurial purposes and for

inland consumption. Your recent ruling concerning bones, oilcakes and lime largely cancels railway board's intentions with Schedule C/FF rate. If you cannot agree our suggestion regret must press this matter further."

Your support in the matter would be much appreciated.

I have, etc.,
L. B. Gillies,
Honorary Secretary.

[Enclosure.]

Letter dated 7th July, 1928, from the Chief Commercial Superintendent, South Indian Railway, Trichinopoly, to Calicut Chamber.

"With reference to the attached Local Advice you will see from para 4 that the Conference Schedule C/FF rate will not apply to manures booked to Madras Harbour and other Indian Ports intended for shipment, the idea is of course the Indian Planters and Agriculturists and not the foreigners shall benefit by the reduced rate. We have, as you may be aware, special rates which have been in force for some time and which are equivalent to the Conference Schedule C/FF rate for manures of all kinds from and to stations shown in the enclosed list. As it is possible that some of this traffic may not be for shipment at all but for distribution from destination stations to consumers in the vicinity I do not propose to cancel these rates until I hear from you. Of course each consignment, would have to be covered by a certificate that it is not for shipment.

Letter, dated 16th July, 1928, from South Indian Railway to Calicut Chamber.

"With reference to your letter dated 8th May, 1928, to the Secretary to the Government of India, Railway Department, Delhi, I presume that since receipt of our notification dated 19th June, 1928, reducing freights on manures to the Government minimum from 1st July, 1928, you have withdrawn your application. If not, would you kindly do so now as Government have addressed us to either send a statement of our case or in the alternative to dispose of the case under para 9 of Resolution 606, dated 25th March, 1926, which deals with withdrawal by mutual consent."

Chamber of Commerce, Calicut, 25th July, 1928.

To the Secretary, Chamber of Commerce,

Madras.

Sir,—Further to my last letter I now enclose copy of telegram dated 23rd July, 1928, received from the Chief Commercial Superintendent, South Indian Railway, Trichinopoly, and also copies of letters and telegrams dated 24th July, 1928, despatched to the authorities concerned.

I have, etc.,

L. B. Gillies,

Honorary Secretary.

[Enclosures.]

I. Telegram dated 23rd July, 1928, from South Indian Railway to Calicut Chamber.

"Your wire twentyfirst instant. Agree to your suggestion if consignees guarantee Bones Lime Oilcakes for manurial purposes and inland use only."

II. Telegram dated 24th July, 1928, from Calicut Chamber to South Indian Railway.

"Your wire twentythird. Will now withdraw our application railway board. Letter follows."

III. Telegram dated 24th July, 1928, from Calicut Chamber to Railway Board.

"In view reductions manure rates now effected we withdraw our application to you dated 8th May, as far as South Indian Railway is concerned. Letter follows."

IV. Letter dated 24th July, 1928, from Calicut Chamber to the Chief Commercial Superintendent, South Indian Railway, Trichinopoly.

I now confirm receipt of your telegram dated 23rd instant, and my reply to you of date.

I accordingly have pleasure in withdrawing this Chamber's application to the Railway Board and have telegraphed the Railway Board, Simla, to this effect to-day. I enclose copy of my letter to the Railway Board.

It is accordingly now understood that Railway freights on all manures and all raw material for manures including each and every variety of manure or raw material for manure will be accepted under schedule C/FF rate on production of certificates from consignees to the effect that such manures and/or raw materials for manure are required by them for manurial purposes only and for inland consumption.

V. Letter dated 24th July, 1928, from Calicut Chamber to the General Traffic Manager, Madras and Southern Mahratta Railway, Madras.

Further to my letter to you dated 23rd instant, I now enclose copy of my letter of date to the Chief Commercial Superintendent, South Indian Railway, and copy of my letter of date to the Railway Board, Simla.

I assume that in line with the South Indian Railway you will also agree to accept consignments of manures of all kinds and/or raw material of all kinds for manures on the production of certificates from consignees to the effect that such manures and/or raw materials are purchased by them purely for manurial purposes and for inland consumption.

On hearing from you that you definitely agree on this point I shall be very pleased indeed to withdraw my application to the Railway Board, Simla, altogether.

VI. Letter dated 24th July, 1928, from Calicut Chamber to the Railway Board, Simla.

I confirm my telegram to you of this date.

> "In view reductions manure rates now effected we withdraw our application to you dated eighth May as far as South Indian Railway is concerned letter follows."

I enclose copy of my letter of date to the Chief Commercial Superintendent, South Indian Railway, Trichinopoly.

This now makes the position quite clear as far as the South Indian Railway, are concerned, but there appears still to be some misunderstanding on the part of the Madras and Southern Mahratta Railway and I enclose for your information copy of my letter of date to the Madras and Southern Mahratta Railway.

On receipt of a reply from the Madras and Southern Mahratta Railway authorities complying with my request I shall be very pleased indeed to withdraw my application dated 8th May altogether."

GOVERNMENT OF MADRAS.

Development Department

PRESS COMMUNIQUE.

Dated Fort St. George, the 25th July, 1928.

In a press communiqué dated 1st June, 1928, it was stated that the authorities of the Madras and Southern Mahratta Railway Company had decided to reduce the freight on manures of all kinds to one-tenth pie per maund per mile. The Government

have now received a communication from the South Indian Railway Company that they have also decided to reduce the rate on manures of all kinds including chemical manures to the minimum. The date from which the reduced rates will take effect will be notified by the company in due course.

A. McG. C. Tampoe,
Secretary to Government

REDUCTION OF RAILWAY FREIGHT ON COAL.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 17*th March*, 1928.

To All Members of the Association.

Sirs,—I am directed to send for an expression of your opinion copy of a letter dated the 14th March, 1928, from the Upper India Chamber of Commerce.

I have, etc.,
D. K. Cunnison,
Secretary

[Enclosure.]

Letter dated Cawnpore, the 14th March, 1928, from the Upper India Chamber of Commerce to the Associated Chambers of Commerce of India and Ceylon, Calcutta.

My Committee desire to interest the Association and its constituent Chambers in the question of the urgent need for a further reduction in coal freights.

They have noted with particular interest the remarks made by Sir Walter Willson in the Legislative Assembly on the 29th February, on Mr. Neogy's motion to draw attention to the failure of Government to reduce coal freights.

Sir Walter Willson's plea for the further reduction of coal freights seems, however, to have been advanced more in the interests of the coal producing industry than of the multifarious coal consuming industries of India. Sir George Rainy seems to have recognised this, when, in reply, he stated that he wanted cheap coal for the industries.

According to the report of the debate in the *Pioneer* Sir George Rainy stated that the question had been considered when the present reduction was being arranged but that the claims of other commodities had to be given precedence.

The Railway Member is stated to have said that he was taking special measures to enquire into the matter and in particular was getting statistics to gauge the effect of the 1926 reduction on traffic. On the next occasion coal would, he said, be again considered.

While my Committee accept these assurances with appreciation they consider that more impetus will be given towards a favourable decision in this matter by Government if the Associated Chambers will address Government on the subject, urging the reduction, not only in the interests of the coal industry but, prominently, in the interests of industrial consumers.

The 10 per cent. reduction in 1926 was of assistance to these consumers but it did not go nearly far enough towards the removal of the very considerable previous increases in freight and actually the reduction was universally received with disappointment.

The pit head price of coal is now back to the pre-war figure but the freight on it is still over 20 per cent. higher than before the war, and in Cawnpore, for instance, the freight in many cases represents more than 60 per cent. of the landed cost of the coal, while, obviously, in manufacturing centres further upcountry, the disproportion is higher still.

My Committee do not desire to stress the point of the great handicap thus imposed on Indian industries, particularly in their present state of depression. This is obvious and is recognised by Government. A point, however, to be made is that the 10 per cent. reduction, though it has undoubtedly stimulated the demand, and therefore the traffic, was not sufficient in many cases to bridge the difference between loss and profit in certain industries; and the statistics as to the extent to which traffic was stimulated by the reduction of 1926, may indeed be misleading in any endeavour to estimate the effects of a further reduction. And then again any enquiry into the stimulus given to the traffic by reason of the reduction in freights must be rendered less reliable by reason of the reduction in pit head cost, in itself an incentive to increased consumption. Mere statistics as to the traffic must therefore be accepted with caution while it is certain and incontestable that the present high freights are a very considerable handicap on industry.

My Committee believe that an early representation by the Associated Chambers will be at once opportune and useful and they trust, the President will share this view and will approach Government accordingly.

Chamber of Commerce, Madras, 29th March, 1928.

To the Secretary, Associated Chambers of Commerce of India & Ceylon,
Calcutta.

Sir,—I have to acknowledge your letter, dated the 17th March, 1928, forwarding copy of communication received by you from the Upper India Chamber with a suggestion that the Association should address Government on the matter of reduction of freight on coal.

At the Monthly General Meeting of the Chamber held this week the subject was considered, and it was resolved to inform you that the Madras Chamber strongly supports the recommendation of the Upper India Chamber that the Associated Chambers should address the Government of India, urging a reduction in coal freights.

I have, etc.,
H. Waddington,
Secretary.

The Associated Chambers of Commerce of India and Ceylon, Calcutta, 6th November, 1928.

To All Members of the Association.

Sirs,—With reference to cicrular, dated 17th March, 1928, and to the resolution to be brought forward by the Upper India Chamber at the forthcoming annual meeting, I am directed by the President to explain the position regarding the replies received from the Chambers to the circular. Generally speaking, the Chambers are strongly of the opinion that there is an urgent necessity for a reduction in coal freights; in their reply the Karachi Chamber express the view that "whilst it is most desirable that coal should be carried at the lowest possible rate, it is essential that the rate should not be so low as to result in a loss to the railways, as this would necessarily entail a corresponding increase in the freight charges on other commodities".

I have, etc.,
D. K. Cunnison,
Secretary.

Chamber of Commerce, Madras, 30th November, 1928.

To the Secretary, Associated Chambers of Commerce, of India & Ceylon,
Calcutta.

Sir.—I have to acknowledge receipt of your letter of the 6th November, 1928, explaining the position in regard to the replies received from the members of the Association with reference

to the recommendation of the Upper India Chamber that the Association should address the Government of India urging a reduction in coal freights.

I am directed to inform you that this question was considered at the last monthly meeting of the Chamber held on the 27th instant, when it was resolved to inform you that the Madras Chamber agrees with the views expressed by the Karachi Chamber.

I have, etc.,
C. H. BROCK,
Secretary.

LATE RUNNING OF MAIL TRAINS TO COCANADA.

Chamber of Commerce, Cocanada, 9th June, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—I am instructed to forward you copies of letters addressed to the General Traffic Manager, Madras and Southern Mahratta Railway, and the Postmaster-General, Madras.

My Chamber will be very grateful for any assistance which the Madras Chamber may be able to render.

I have, etc.,
G. GOMPERTZ,
Secretary.

[ENCLOSURES.]

Chamber of Commerce, Cocanada, 9th June, 1928.

TO THE GENERAL TRAFFIC MANAGER,
MADRAS & SOUTHERN MAHRATTA RAILWAY CO.,
Madras.

I am instructed to enclose for your information a Statement showing the times at which the train bringing the Madras *tappal* has arrived at Cocanada Port Station from 5th May to 8th June, 1928, and the times at which the *tappal* has been delivered to Post Box Holders at the Post Office.

I am also instructed to draw your attention to the scandalous state of affairs in which the Madras and Southern Mahratta Railway authorities appear to view with complacency the continual late running of their trains without any apparent attempt to rectify matters, and to suggest that either the trains be run more nearly to schedule or that the time table be altered.

Most of the business Houses here have either principals in, or dealings with, Madras, and it needs no stretch of imagination to visualise the disorganisation of business which is the outcome of an unreliable train service.

Unless the train from Madras arrives at or near its scheduled time, it is impossible to post replies to any one day's *tappal* on the same day.

I have, etc.,
G. GOMPERTZ,
Secretary.

Chamber of Commerce, Cocanada, 9th June, 1928.

TO THE POSTMASTER-GENERAL,
Madras.

SIR,—Under instructions, I have the honour to enclose copy of letter addressed to the General Traffic Manager, Madras and Southern Mahratta Railway.

The Mail train from Madras is scheduled to arrive at Samalkot Junction at 10-20. The tappal, after a delay of 35 minutes, then goes by shuttle and is scheduled to arrive at Cocanada Port at 11-25. On the rare occasions when both trains run to time, Post Box Holders get their letters at about 1-30 P.M. This just gives them time to reply to the tappal in time to catch that day's post to Madras. If however, as has usually happened in the last few months, the train is late, the tappal is delivered so late that it is impossible to post answers to Madras till the following day's post.

Under these circumstances, I am instructed to ask if it would not be possible to have a motor van to run in the Madras tappal from Samalkot. Presumably, the Postal Department pay for the privilege of having their letters carried by the Madras and Southern Mahratta Railway, and I am to suggest that the money so spent at present with such unsatisfactory results might be spent on a motor van which would give more efficient service.

In any case, the present state of affairs is most unsatisfactory, and I am to request you to take the matter up with the Railway Authorities, with whom it is presumed, you have a contract, with penal clauses.

I have, etc.,
G. GOMPERTZ,
Secretary.

Chamber of Commerce, Madras, 23rd June, 1928.

To the Secretary, Chamber of Commerce,

Cocanada.

Sir,—Your letter of the 9th instant, with enclosures, has been circulated to the members of the Committee.

I am directed to inform you that the Chamber are in full sympathy with your representations and are able to give additional evidence in corroboration, but before addressing the Post Office and the Railway I would be glad if you would be so good as to let me know what the result of your representations have been and what replies you have received.

I may mention that at a meeting of the Advisory Committee of the Madras and Southern Mahratta Railway, which is being held at Bangalore to-day, the Representative of this Chamber is making enquiries as to the late arrival of trains and will doubtless be able to give us further information at the monthly meeting to be held next Tuesday.

I have, etc.,

C. H. Brock,

Secretary.

Chamber of Commerce, Madras, 25th June, 1928.

To the Secretary, Chamber of Commerce,

Cocanada.

Sir,—In continuation of my letter of the 23rd instant, Sir James Simpson, the representative of this Chamber on the Advisory Committee of the Madras and Southern Mahratta Railway, writes as follows:—

"Cocanada Chamber to be advised that I raised this point at Advisory Committee Meeting held on 23rd instant. Railway admit, with great regret, that there is unavoidable delay at present, and same is not likely to be fully overcome till September next. There are now 7 restrictions *en route*, for necessary repairs, etc., etc., causing delay in running. Work is being hurried on and general situation is already shewing improvement, which, it is hoped, will be steadily increased. Railway are fully alive to the position and will continue to do their utmost to overcome the difficulties."

I have, etc.,

C. H. Brock,

Secretary.

Chamber of Commerce, Cocanada, 4th July, 1928.

To the Secretary, Chamber of Commerce,

Madras.

I am instructed to thank you for the steps taken by your Chamber, with particular reference to the action taken by Sir James Simpson.

In reply to our letter to the Madras and Southern Mahratta Railway the General Traffic Manager wrote:—

> "I beg to acknowledge receipt of your letter of 9th June, regarding the late arrival of the mail train at Cocanada, and would assure you that every endeavour is being made to improve the running of this train."

With regard to the Railway's admission, in the information so kindly furnished by Sir James Simpson, I am directed to state that this Chamber is fully alive to the restrictions on the line, and the necessity for constant repairs on any Railway, but to suggest that if the mail train can *occasionally* run to time, there appears to be no reason why it should not *always* do so, and my Chamber will be very grateful if in any future dealings with the Railway either your Chamber or Sir James Simpson will stress this point.

Our representations to the Postmaster-General, met with the following reply:—

> "I have the honour to acknowledge the receipt of your letter, dated the 9th instant, and to say that the matter is receiving my best attention."

I enclose copy of a further letter I am addressing to the Postmaster-General, and my Chamber will be very grateful for any assistance the Madras Chamber can give us in the matter.

I have, etc.,
G. Gompertz,
Secretary.

[Enclosure.]

Chamber of Commerce, Cocanada, 4th July, 1928.

To the Postmaster-General,

Madras.

Sir,—I have the honour to acknowledge receipt of your letter, dated 19th ultimo.

In view of the urgency of the matter my Committee instruct me to suggest that your reply is a little unsatisfactory.

The Madras Chamber of Commerce, as well as its member on the Railway Advisory Board, are very kindly assisting us in our

representations, but I am directed by my Committee to request you to be good enough to favour me with a very early reply to the suggestion that the tappal from Samalkot should be run in to the Cocanada Post Office in a motor van or bus.

On those occasions when the mail train from Madras is more than one hour late at Samalkot, the connecting shuttle for Cocanada does not wait, and the tappal is brought in by the train due to arrive at 14-40.

Presumably the Railway are paid by the Postal Department for the carriage of mails, and my Chamber is of opinion that the money so spent might with advantage be spent on the provision of a postal motor van from Samalkot.

I have, etc.,
G. GOMPERTZ,
Secretary.

Chamber of Commerce, Madras, 26th July, 1928.

To THE POSTMASTER-GENERAL,
Madras.

SIR,—The Cocanada Chamber of Commerce has forwarded to this Chamber copy of their letter addressed to you on the above subject dated 4th July, 1928.

I am directed to inform you that this Chamber considers the suggestion of the Cocanada Chamber that the mails should be conveyed between Samalkot and Cocanada by a motor van seems very reasonable, especially when mail trains miss the connection at Samalkot.

I have, therefore, the honour to request you to be so good as to meet the wishes of the Cocanada Chamber, if you can possibly see your way to doing so.

I have, etc.,
C. H. BROCK,
Secretary.

Chamber of Commerce, Madras, 26th July, 1928.

To THE SECRETARY, CHAMBER OF COMMERCE,
Cocanada.

SIR,—With reference to your letter of 4th instant, I beg to inform you that this Chamber has addressed the Postmaster-General, Madras, and requested him to meet the wishes of your Chamber for mails to be transported from Samalkot to Cocanada by motor van.

I have, etc.,
C. H. BROCK,
Secretary.

Chamber of Commerce, Cocanada, 11th August, 1928.

To the Secretary, Chamber of Commerce,

Madras.

Sir,—With further reference to your letter of the 26th ultimo, I am instructed to inform you that my Chamber has since received a communication, dated 27th July, from the Postmaster-General, Madras, reading :—

"I have the honour to say that the question of introducing a motor service for the conveyance of mails between Samalkot and Cocanada Port cannot be favourably considered when the two stations are connected by railway.

I am, however, taking action to bring the delay to the notice of the railway authorities to see that the trains are run punctually as per scheduled timings in future, as far as possible."

I trust however that the action of your Chamber will cause the Postmaster-General to reconsider his decision.

I have, etc.,
G. Gompertz,
Secretary

AMENDMENT OF RULES RE: THE SYSTEM OF PAYMENT OF MONEY ORDERS BY CHEQUES.

Posts and Telegraphs, Madras, 21st March, 1928.

To the Secretary, Chamber of Commerce,

Madras.

Sir,—I am directed to enclose a copy of letter, dated the 9th March, 1928, from the Director-General of Posts and Telegraphs, New Delhi, together with a copy of its enclosure and shall be glad to have the views of your Chamber in the matter.

I have, etc.,
C. H. Malan,
Postmaster-General.

[ENCLOSURES.]

Copy of letter No. 43 Post A.1/28, dated the 9th March, 1928, from the Director-General of Posts and Telegraphs, New Delhi.

I am directed to forward a copy of letter, dated the 11th February, 1928, from the Accountant-General, Posts and Telegraphs, and to request you to favour the Director-General with an expression of your opinion on the suggestion made therein.

The views of the Chambers of Commerce, Trades Associations and other institutions of the kind in your circle may be obtained in the matter and communicated to the Director-General together with your remarks.

Copy of a communication No. Mis. 2814/C-19-27, dated the 11th February, 1928, from the Accountant-General, Posts and Telegraphs, to the Director-General, Posts and Telegraphs, New Delhi.

I have the honour to invite reference to Article 353 of the Postal Account Code, Volume I, regarding the system of payment of money orders by cheque. From clauses (c) and (d) of this Article it appears that a payee can refuse to accept a money order even after signing the acknowledgment thereof. He is also at liberty to ask the Post Office to correct the list any time before he cashes the cheque. Moreover in the absence of any definite ruling as to the prompt disposal of the money order acknowledgments, the acknowledgments are despatched by some Post Offices to the remitters immediately they are received duly signed by the payee, while they are held up by others till the cheque is cashed at the Post Office. Recently a case occurred in which the remitter who desired the amount to reach the payee by a certain date had to make a second remittance as he had not received the acknowledgment.

2. The existing system of payment by cheque strikes me as rather old fashioned and cumbrous. The more straightforward method would be to draw the cheque on the Treasury or the Imperial Bank and to charge off the amount in the accounts. But if this is considered unnecessary, I suggest that the Postal Account Code Rule should be amended so as to provide for the following:—

(1) That a cheque should not be given to the payee of the money orders until he has acknowledged the correctness of the list and that all the money orders are for him. The list and the money orders should be left one day by the postman who on the next day should leave the cheque and take away the acknowledged list and money orders acknowledgments. The payee should have checked his list in the meantime, and any alteration he wants to

make in the list, etc., should be made before he gets the cheque. In the rare cases of a further mistake being noticed before the cheque is cashed the Post Office would have to adjust the matter by sending a Service Money Order to the original remitter or proper payee.

(2) In any case I should deprecate holding up acknowledgments. As between the remitter and the payee, the former has a right to his acknowledgments whenever the cheque is paid. The liability of the Post Office and the question whether or not the money is actually drawn does not interest the remitter. With the acceptance of the acknowledgment from the payee and with the delivery of the cheque, the Post Office has assumed the remitter's liability and, in my opinion, there is no justification for holding up the acknowledgment. In cases of mistake discovered later, the procedure suggested above would apply.

3. My main object is that acknowledgment should not be held up and if this is secured, I do not press for the amendment proposed at (1) above, if, in practice, the procedure would be found much less convenient.

Chamber of Commerce, Madras, 26th April, 1928.

To the Postmaster-General,
Madras.

Sir,—With reference to your letter, dated 21st March, 1928, I am directed to inform you that, at the last monthly general meeting of the Chamber held on the 24th instant, it was resolved to advise you that the Madras Chamber has no objection to the proposal to amend the Postal Account Code with regard to the system of payment of money orders by cheques.

I have, etc.,
C. H. Brock,
Secretary.

THE CABLE AND BEAM SERVICES.

The Associated Chambers of Commerce of India and Ceylon, Calcutta, 16th April, 1928.

To All Members of the Association.

Sirs,—I am directed to subjoin copies of letter, dated 7th April, received from the Upper India Chamber on the above subject, and of a letter which the President has addressed to the Government of India, Department of Commerce.

I have, etc.,
D. K. Cunnison,
Secretary.

[ENCLOSURES.]

Letter dated Cawnpore, 7th April, 1928, from the Upper India Chamber of Commerce to the Associated Chambers of Commerce of India and Ceylon.

The attention of my Committee has been drawn to the statements which have appeared recently in the Home press, and also in the Indian press, anent the amalgamation between the Eastern Telegraph Company and the Marconi Company.

To my Committee it appears that this amalgamation will create a monopoly which will not be to the public interest inasmuch as it will put an end to the healthy competition which was beginning to make itself felt, not only in the reduction of cable rates but also in the greater efficiency of both the cable and wireless services.

It has been stated that the amalgamation is subject to satisfactory arrangements with the Governments of Great Britain, the Dominions and India, so that the interests of the public shall not suffer, but as far as my Committee are aware the Government of India have not, so far, declared their policy in this important matter.

There are of course other cable companies serving India, but even in regard to these it is understood that amalgamations as between themselves and/or others are in discussion or in progress.

My Committee suggest that this is a matter in which the Associated Chambers might very usefully take action by asking the Government of India what steps they intend to take to safeguard the interests of the public in this country.

I am directed to express the hope that the President of the Association will agree with this view.

Letter, dated 16th April, 1928, from the Associated Chambers of Commerce of India and Ceylon to the Government of India, Department of Commerce.

The Associated Chambers have had under consideration the announcements which have recently appeared in the press, both at Home and in India, on the subject of the amalgamation of the interests of the Marconi Company with those of the Eastern Telegraph group. They have noted the improvements which have taken place in cable services of late as a result of the competition of the Beam System and they are apprehensive that, unless adequate safeguards are provided, an amalgamation such as is apparently likely may be detrimental to the public interest by substituting a monopoly for the present healthy competition. The Chambers understand that any fusion of interests will be subject to the approval of the Government of India and they would

126049
Xh21:M3br
UNIVERSITY LIBRARY

welcome an assurance from Government that, in any negotiations which may take place, the interests of the public generally, and the interests of trade and commerce in particular, will be kept prominently in view. Should it be possible for Government to indicate what steps are in contemplation for the protection of the interests of the public in the matter, such information would be greatly appreciated.

Chamber of Commerce, Madras, 4th May, 1928.

TO THE SECRETARY, ASSOCIATED CHAMBERS OF COMMERCE OF INDIA & CEYLON,
Calcutta.

SIR,—With reference to your letter of the 16th ultimo, I am directed to inform you that the Members of the Chamber are in full agreement with the letter addressed to the Government of India.

I have, etc.,
C. H. BROCK,
Secretary.

The Associated Chambers of Commerce of India and Ceylon, Calcutta, 28th May, 1928.

TO ALL MEMBERS OF THE ASSOCIATION,

SIRS,—In continuation of circular dated the 16th April, I am directed to subjoin copy of a letter, dated 23rd May, from the Government of India, Department of Industries and Labour.

I have, etc.,
D. K. CUNNISON,
Secretary.

Letter, dated the 23rd May, 1928, from the Government of India, Department of Industries and Labour, Posts and Telegraphs Branch.

I am directed to refer to your letter, dated the 16th April, 1928, on the subject of the discussions at present proceeding in London, in regard to the amalgamation of the interests of the Wireless and Cable Companies. The Associated Chambers particularly desire an assurance from Government that in any negotiations that may take place the interests of the public generally and of trade and commerce in particular will be kept prominently in view. I am to say in reply that the Government of India are assured that the interests in question have been and still are being given their full weight in the discussions which, as your Association will have seen from a recent statement by the Prime Minister, are still proceeding, and to which the Government of India are a party.

P40821

2. With reference to your concluding request that Government should, if possible, indicate the steps in contemplation for the protection of the interests of the public in the matter, I am to say that the Government of India regret that they are not in a position at present to make any definite statement.

CODE LANGUAGE.

The Chicago Association of Commerce, Chicago, 21*st July,* 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—The International Telegraph Union will hold a conference at Brussels beginning 10th September, 1928.

At the last meeting of the Union, held in Paris in 1925, a committee was appointed to study code conditions and tariff problems. This committee afterwards met in Cortina in 1926, and the report and recommendations of this committee are to be considered and acted upon at the Brussels Conference.

The report of the Cortina Committee recommends "That code words in international communication be limited to five letters in length and the cost to be...........per cent. of the present ten-letter code word cost."

The vote of this special Cortina Committee was fourteen for, and one against, this recommendation. The negative vote was that of Great Britain, who filed a minority report.

There would be no serious objection on the part of business interests of this country if the recommendation specified that the cost would be no more than fifty per cent. of the present ten letter word cost. The general impression is, however, that the majority of the members of the International Telegraph Union favours a new rate of from sixty to seventy-five per cent. (some as high as one hundred per cent.) of the present ten-letter code word cost. This would mean practically an increase of from thirty to fifty per cent. or possibly one hundred per cent. in the cost of international communication in code.

Any increase will inevitably have to be added to the cost of commodities dealt in and the danger lies in the fact that the cost of international communication may become so expensive as to be prohibitive, thus putting undue restrictions upon commerce with other countries.

May we suggest that you present this matter to your members who have occasion to use codes in their international communication so that they may fully realise what this would mean to them financially. It is our belief that once the importance of these recommendations is understood the business interests of your country will not hesitate to voice their opposition to the Cortina Report, unless it is clearly stated that no increased charges for the proposed five-letter code word will be made.

Yours very truly,
P. W. KUNNING,
Foreign Trade Adviser

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 22nd August, 1928

TO ALL MEMBERS OF THE ASSOCIATION.

SIRS,—The President recently received a cable from the Federation of Chambers of Commerce of the British Empire on the subject of the proposal—which it is understood will be brought up for discussion at the International Telegraph Conference in Brussels next month—to reduce to five letters the length of code words in telegrams. The Federation expressed the hope that the suggested reduction would be opposed by the representatives of the Government of India attending the Conference, and on 25th July, the President addressed the following letter to the Director-General of Posts and Telegraphs:

"I am directed to say that the Association has had a cable from the Federation of Chambers of Commerce of the British Empire indicating that there is a possibility that at a conference to be held in Brussels in September a proposal will be brought forward to the effect that telegraph code words should be limited to five letters instead of ten as at present. The Association understands that a similar proposal was under discussion at the International Telegraph Conference held in Paris in 1925, and that the movement has not in the past received the support of the Government of India.

The President will be glad if the Association may be informed whether it is the case that the question will be discussed again in September at Brussels. Should it be the case that the question is on the agenda, and should the Government of India contemplate being represented at the Conference, the Association hopes that such representatives will, as in the past, oppose as strongly as possible any suggestion to limit the length of code words to five letters."

2. The President has now received from the Director-General a reply to this letter. The reply is dated 17th August, and is in the following terms:—

"I am directed to acknowledge with thanks the receipt of your letter, dated the 25th July, 1928.

In reply I am to say that the question of limiting code words to five letters will be discussed at the International Telegraph Conference to be held at Brussels in September next. The Indian representatives have instructions to oppose any proposal to reduce the length of code words to five letters."

I have, etc.,
D. K. Cunnison,
Secretary.

Chamber of Commerce, Madras, 28th August, 1928.

To the Secretary, Chicago Association of Commerce,
Chicago.

Sir,—I have to acknowledge your letter, dated 21st July, 1928, advising the Chamber that, at the International Telegraph Conference to be held at Brussels in September, a recommendation to reduce the length of code words in telegrams to five letters will be considered.

I am directed to inform you that the Chamber understands the representatives of the Government of India at the Conference have instructions to oppose the proposal.

I have, etc.,
C. H. Brock,
Secretary.

The Federation of Chambers of Commerce of the British Empire, London, 5th October, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—As the Federation conferred with the British Post Office and in other ways took an active interest in the proposal, discussed at the International Telegraph Conference held at Brussels in September, to reduce the maximum number of letters allowed in a code word from ten to five, and as the findings of the Conference have been incompletely and, in some instances, inaccurately reported in the Press, I write for the purpose of explaining to federated Chambers what modifications of the present system are involved. The modifications will become operative from 1st October, 1929.

May I first say that the result is highly satisfactory as the principle so strongly urged by the Federation, namely, that no change should be made which would have the effect of raising charges to the code user, was upheld.

The ten letter code, its cost and conditions of use, are left unaltered except that in place of the pronounceability test there is a stipulation that words of six, seven or eight letters must contain at least two vowels and those of nine or ten letters, three vowels: the first five letters in every case must include at least one vowel and the remainder of the word at least one: for code purposes *Y* is a vowel. It seems improbable that any of the existing codes do, in fact, infringe this Regulation.

In addition to, and side by side with, the ten-letter code there is to be introduced a new code system, the words of which will consist of five letters. These five-letter words need contain no vowels and will be free of the pronounceability test or other restriction. The five-letter code word will be charged, as respects extra-European messages, at approximately two-thirds of the existing rate and, as respects the European zone, at approximately three-quarters of the present charge: messages will, however, be subject to a four-word minimum. The address and signature will be charged at the same rate as the body of the message.

There are certain queries which will undoubtedly arise in connection with the two systems, some of which may be settled in advance.

If five-letter code words and ten-letter code words are employed in the same message, the whole will be charged at the full rate.

At the present time when plain language is mingled with code the plain language is charged at the rate of ten letters to a word. The same system will be applied to the new five-letter code, namely, every five letters of the plain language will be charged as a five-letter code word.

Figures may not be included in the five-letter code messages unless in conjunction with letters to form what are technically known as *Commercial Marks*.

If in a ten-letter code message a word is included which does not comply with the vowel rule, it will be charged at five letters to the word without affecting the cost of the rest of the telegram.

The theory is that as new codes are written, the code-maker, unhampered with restrictions as to vowels, etc., will be able to obtain as good results with five letters as he can now with ten, and so, in spite of the relatively higher charge for the five-letter word, the new system would be cheaper, and thus supersede the ten-letter code. The main point, however, is that the user is free to continue with the present system or to adopt the new one, whichever he finds more advantageous.

I have, etc.,
A. DE V. LEIGH,
Secretary

HARTAL RIOTS.

Chamber of Commerce, Madras, 8th February, 1928.

To the Chief Secretary, Government of Madras,
Fort St. George, Madras.

Sir,—I have the honour to advise you that at an Extraordinary general meeting of the members of this Chamber held yesterday to consider the grave disorder and menace to law and order from mob violence arising from the hartal on Friday last, it was resolved to communicate to you the following resolutions which were carried unanimously.

I. That this Chamber records its strong disapproval and condemnation of the hartal proceedings which for a considerable period during Friday, the 3rd February, 1928, placed one of the most important parts of this city in the hands of a riotous mob, and resulted in loss of life, personal injury and grave damage to private property, and that the Chamber do place their views before Government for their consideration.

II. That this Chamber has viewed with grave concern the apparent breakdown of measures for the preservation of law and order, and the maintenance of public safety, on Friday, the 3rd February. The Chamber, in drawing Government's attention to this aspect of the situation, wishes at the outset to make it clear that it is not only acting in its own interests, but that it desires to identify itself with all those law-abiding citizens of Madras who have suffered personal injury, damage, loss and deprivation, through being prevented from going about their lawful business by the activities of those who organised the hartal.

III. The Chamber would specially draw Government's attention to the public campaign that has, for nearly two months, been carried on unchecked, by means of speeches at public meetings, press articles and the widespread distribution of posters throughout the city, by certain persons advertising themselves as the Simon Boycott Committee. This Chamber considers that the disgraceful scenes that occurred on Friday are in no way representative of the feelings of the bulk of the citizens of Madras, but are to be attributed solely to the propaganda that members of the Boycott Committee have so sedulously disseminated during the last few weeks, and that those persons who have lent themselves to the organisation of this campaign are and should be held primarily responsible for the loss of life, personal injury and grave damage to property that occurred in course of the hartal, and that the law should be examined with a view to ascertaining the position of these persons and that, if it is at all possible, they should one and all be brought to account and made liable for damages, but that in any case Government should see that compensation is paid to those who have suffered damage.

IV. In view of the fact that members of the Boycott Committee, in spite of the occurrences of Friday, the 3rd February, have openly re-affirmed their intention of bringing about a similar state of affairs in this city, on Friday, the 17th February, on a more intense scale, the Chamber feels its duty to ask Government to take such action as may be necessary, in the interests of public safety, against those persons who have identified themselves as leaders of the movement, in order to restrain them from creating a repetition of the disorders which it is obvious from Friday's experiences such leaders are quite incapable of preventing.

V. That this Chamber, while it feels that it is not part of its duty to offer its opinions as to the causes which led to the failure to maintain order on the 3rd February, views with grave concern the possibilities of a repetition of these disorders and feels that it must ask Government for definite assurances that all measures possible will be taken to ensure that they do not recur.

I have, etc.,

K. KAY,

Chairman.

GOVERNMENT OF MADRAS

PUBLIC DEPARTMENT.

G.O. No. 115, *Press, Dated,* 10*th February,* 1928.

The Government have received representations from the European Association and the Chamber of Commerce dealing with the occurrences which took place on the 3rd February, 1928, in connection with the attempted hartal.

2. As regards the claims for compensation for damage the Government are not aware of any law in force in Madras City under which such compensation can in this instance be assessed by Government and recovered from private persons or defrayed by the general taxpayer.

3. The Chamber of Commerce specially draws attention "to the public campaign that has, for nearly two months, been carried on unchecked, by means of speeches at public meetings, press articles and the widespread distribution of posters throughout the city, by certain persons advertising themselves as the Simon Boycott Committee", while the European Association refers to "the menacing and dictatorial tone employed by the promoters of the hartal both in their manifestos and their speeches". Both bodies desire definite assurances that all measures possible will be taken to ensure that there will be no repetition of the disorders which occurred on Friday, the 3rd February.

4. The Government deplore the excesses that occurred on Friday, but as to the first point would point out that the Courts cannot bring into operation the preventive provisions of the Criminal law except on the basis of legal evidence tending to prove the imminence of a breach of the peace. The Government had not before them any such evidence as would have enabled or entitled them to move the courts before the 3rd February. The events on the 3rd February, justified the application for the issue of such preventive orders as have now been passed by the Chief Presidency Magistrate.

5. The Government wish to take this opportunity of assuring all citizens of Madras of their intention to protect any man who wishes to pursue his lawful avocations during the stay of the Simon Commission in the Presidency or on any other occasion and of their anxiety to prevent such stray assaults on peaceful citizens as have been reported.

(By Order of the Governor in Council).

A. Y. G. CAMPBELL.

Chief Secretary to Govt.

Chamber of Commerce, Madras, 18th February, 1928.

TO THE CHIEF SECRETARY, THE GOVERNMENT OF MADRAS,

Fort St. George, Madras.

SIR,—I have the honour to acknowledge receipt, on Monday of a copy, of G.O. No 115, Press, dated the 10th February, on the subject of the disturbances on the 3rd February.

This G.O. has been the subject of the Chamber's further consideration.

The Chamber observes that in this joint communication Government do not reply in detail to the representations made by this Chamber in its letter of the 8th instant.

The Chamber does not at present propose to press for an enquiry into the circumstances which led to the apparent breakdown in the application of the forces responsible for maintaining law and order on the 3rd February, a point on which it observes Government, in replying to the Chamber's Resolutions. offer no comment.

The Chamber notes with satisfaction the preventive measures that Government have already taken to ensure that there will be no repetition of the hartal, and welcomes the assurances of Government of their intention to protect any man who wishes to pursue his lawful avocation during the stay of the Simon Commission in this Presidency, or on any other occasion.

The Chamber trusts that, in view of the experience of the 3rd instant, the measures that may be contemplated by Government for the future protection of the public will prove efficient if subjected to any tests similar to those which arose on that occasion.

The Chamber feels bound to observe that that portion of Government's reply, dismissing the consequences of the grave disorders which dominated an important section of the city for some eight hours on the 3rd February, with the words "such stray assaults as have been reported", suggests that Government have not fully realised the scenes of violence and disorder that actually took place in Madras on that day.

The Chamber feels that the violence and intimidation offered to the general public, which rendered it difficult and at times dangerous for law-abiding people to get to or from their homes and places of business; the organised attacks, carried out to enforce the previously published orders of the Boycott Committee, which, to mention a few instances, resulted in the City Tramway service having to be withdrawn owing to the repeated violent assaults on inspectors, drivers and conductors, as well as the public who were passengers on the trams, and the extensive damage done to the trams; the partial destruction of a large provision store and restaurant in the heart of the city belonging to a well-known firm of Indian caterers because, in the face of intimidation, they refused to close their shop in obedience to the orders of the Boycott Committee; the destruction by stoning and burning of a motor car on the threshold of the premises of the High Court, and the menacing attack by the mob on the High Court itself, cannot be dismissed as "stray assaults".

In this connection it is significant that specific orders were issued by the Boycott Committee that no trams should run and that all shops and restaurants and places of business should be closed and that no lawyers or their clients should attend court on Friday, the 3rd February.

That this was so is evident from the notices published by the members of the Boycott Committee, copies of which the Chamber appends for Government's information.

While this Chamber is of opinion that there was sufficient evidence in the published intentions of the members of the Boycott Committee to bring about a complete stoppage of the normal activities of the city on the 3rd February, to prove the imminence of a breach of the peace and justify preventive measures being taken against members of the Boycott Committee before the occurrence of the damage for which they were primarily responsible, the Chamber learns with great concern that there is apparently no law in Madras by which the persons who organised these disturbances can be held liable for the consequences of their actions.

The Chamber understands that the position is different in Bombay and Calcutta; that in the former city on the occasion of a previous hartal, after scenes of violence such as took place in Madras, the organisers of the hartal were held to be responsible and were made liable for damage, and that in Calcutta, in connection with the hartal on the 3rd instant, the opinion has been expressed that the law, as it stands, would enable responsibility for damage and personal injury arising out of a hartal to be fastened to the persons who organise the hartal, and it is understood that a test case is to be brought.

The Chamber does not propose to discuss here the question of assessing compensation for damage, but it regards with grave misgiving the immunity which those responsible for organising the recent disturbances in Madras apparently enjoy, and if there is no law in Madras by which those who deliberately conspire to restrain, or forcibly prevent, the citizens of Madras from pursuing their lawful avocations can be held responsible for the subsequent breaches of the peace that their actions, when enforcing their objects, have inevitably provoked, then this Chamber is of opinion that Government should at once take the necessary steps, in the interests of the public weal, so to amend the law that the rights of private citizens would be assured, and that in future those who deliberately provoke a breach of the public peace do not escape the consequences of their actions.

The Chamber would draw Government's attention to reports and notices appearing in the press since the 2nd December last, in the names of members of the Boycott Committee.

In view of the direct orders of the Boycott Committee repeated in these notices, for certain specific acts to be performed on the 3rd February, and the fact that such acts were actually forcibly carried out on the 3rd February, resulting in grave breaches of the public peace, the Chamber feels that these occurrences should not be described as "stray assaults" but were the result of pre-arranged organisation.

It is evident from the proceedings referred to in these notices that the deliberate intention of those persons who organised these meetings was to paralyse the life of the city on the 3rd February. That they were only partially successful is due to the commonsense of the citizens of Madras who refused to be bullied into conforming to the dictates of a group of individuals who have no claim to represent public feeling.

In view of the evidence of deliberate premeditation afforded by these notices, the Chamber still feels that the persons associated with the organisation of the disturbances on the 3rd February, must be held responsible for the consequences, and finds it difficult to believe that under the law such persons may openly conspire to organise disturbances of the public peace, that they may raise funds for the execution of their designs, that they can deliberately

suspend public traffic by a series of violent assaults, that they can forcibly prevent the public from carrying on their daily business, and that such persons can then escape all consequences of their actions, except moral condemnation by every sober-minded citizen.

I have, etc.,
K. KAY,
Chairman.

GOVERNMENT OF MADRAS

PUBLIC DEPARTMENT.

G.O. No. 166, *Press. Dated the* 23*rd February*, 1928.

The Government have read and now publish for the information of the public three reports dated 4th, 10th and 16th February, submitted to them by the Commissioner of Police and a report dated 4th February, 1928, from the Chief Presidency Magistrate on the disturbances which took place in the Madras City on 3rd February, 1928.

2. The Indian National Congress decided at its Madras session in December, 1927, to boycott the Indian Statutory Commission. In pursuance of this policy the local Congress leaders early in January, set up a "Simon Boycott Propaganda Committee". One item of their programme was that the 3rd February, the day on which the Commission was due to arrive in India, should be signalised by a hartal in Madras City and the Committee bent its energies towards bringing about as complete a suspension of business on that day as possible. Other persons however did not see eye to eye with the Congress leaders on this matter of boycott and as a consequence a "People's Party" came into being and began counter propaganda denouncing the proposed boycott as futile and advocating co-operation with the Commission. On the 22nd and on the 29th January, there were small affrays caused by rival meetings resenting each other's proximity. The incidents reported as taking place at these meetings were of a trivial character and of a type with which the police deal in the ordinary course of their duties: they could form no justification for an application to the magistracy for the use of the preventive sections of the Code of Criminal Procedure. Apart from these there were no breaches of the peace.

3. The actual events of the 3rd February, are detailed in the reports published with this order. There was no serious outbreak until the attack on the Restaurant of Messrs. Harrison and Co., in Broadway about 10 o'clock in the morning. This was quelled by the special armed reserve party reinforced from headquarters. Five persons were arrested and taken to the Law College police station where attempts were made to rescue them. Reinforcements were obtained from headquarters and order was for a time restored and the arrested men were sent away. Shortly

afterwards however disorder broke out again on the north of the High Court and the mob invaded the compound of the High Court and destroyed a motor car. The rioters were driven out of the compound and the gates of the High Court were closed. The mob however refused to disperse, and continued to shower stones on the police until, as a last resort, after the lapse of an hour, the police were compelled to fire; one man was killed. As the mob continued out of control military assistance was then invoked and on the appearance of a detachment of the Queen's Own Royal West Kent Regiment under Major Hardy the mob became quiescent and did no further damage in that neighbourhood.

4. A meeting on the Beach at Triplicane was to take place at 5 P.M. Some of the crowd on their way there attacked certain cars proceeding southwards towards the Adyar. Meantime, however, military pickets had been posted at points of vantage, in case their assistance should be invoked by the Civil authorities. A later outbreak of stone-throwing at the lighthouse level crossing was quelled. One or two further disturbances later were also stopped before they assumed serious dimensions. Precautions for the safety of the City were taken throughout the night including the posting of military pickets at the Senate House and on the First Line Beach.

5. The total number of persons arrested in connection with the disturbances and connected assaults was twenty-six.

6. The casualties reported by the Commissioner of Police are one man killed and three injured, besides several police casualties. The damage to property reported by the Commissioner amounts to Rs. 985 damage to buildings and Rs. 4,141 damage to motor vehicles. It is possible that the reports of casualties and damage are not complete, owing to persons who were injured or suffered damage not having reported the matter or complained to the Police.

7. The Government regret exceedingly the turn taken by events on the 3rd February, and would express their sympathy with those who suffered damage to person or property as a result of excesses of the mob. It has been suggested that compensation might be paid as has been done it is alleged in Bombay. The law in Madras, however, is not the same as in Bombay. The City of Bombay Police Act, 1902, contains a provision that the Chief Presidency Magistrate, with the previous sanction of the Governor in Council may, after any necessary enquiry, determine the amount of compensation to be given for damage caused by an unlawful assembly and order the municipal authorities to collect this from wards or areas specified by him, as an addition to the general tax. No such provision exists in the corresponding Madras enactment and this Bombay precedent consequently does not apply. Some years ago, the question of inserting some such provision in the Madras Act was considered but the proposal was not pursued.

Under Section 15-A. of the Indian Police Act, 1861, compensation can be recovered in certain cases for damage caused by the misconduct of the inhabitants of an area which has been proclaimed under Section 15 of the Act to be in disturbed or dangerous state, but even under that section compensation is not recoverable for damage caused before the proclamation is issued.

The Madras Chamber of Commerce states that in connection with the Hartal in Calcutta on the 3rd February, the opinion has been expressed that the law, as it stands, would enable responsibility for damage and personal injury arising out of a hartal to be fastened on the persons who organise the hartal and that it is understood that a test case is to be brought. The Madras Government have no information on these points but are consulting the Government of Bengal whether the action is being taken under the ordinary civil law or under some special provision of law: the Government of Bengal will also be asked to be good enough to inform this Government of the result of the test case. The Madras Government will then give their further consideration to this question.

8. Objection has been raised to the phrase used in the last paragraph of G.O. No. 115, Public, dated 10th February, 1928, "such stray..........................reported". This sentence has apparently been misunderstood as evidencing an intention on the part of the Government to belittle the occurrences on the 3rd February. The Government had no such intention. The paragraph refers to the future and, as a whole, was intended to convey the Government's intention to protect the public not only from general interference by riotous mobs but also individuals from stray assaults which may occur at a distance from main centres of disturbance; such assaults are said to have been made on the 3rd February on motor-cars, tram-cars and individuals apart from the operations of the large body of rioters near the High Court.

9. It has been argued in several quarters that the course of these events should have been foreseen and dispositions made to prevent any violent outbreak. The Police arrangements for the 3rd February, have been detailed in an annexure to this order. It has been suggested that the various speeches and activities reported in the press gave a sufficient indication of what the events of the day were likely to be and would have justified a use of the preventive sections of the Code of Criminal Procedure. Although no doubt the disorders would not have occurred but for the decision of the Boycott Committee that disapproval of the Statutory Commission should be shown by a hartal on the 3rd February, the Government are not disposed, in view of the tenor of the speeches and manifestos in which the use of force was deprecated, to consider that there was evidence that would have enabled a successful application to be made to the Courts for the issue of orders under the preventive sections.

10. The Commissioner of Police, in whose hands the police arrangements were, had made considerable preparations to deal with processions, meetings, demonstrations and other normal accompaniments of the proposed hartal. The Commissioner not only mobilised the entire City police force available, but, with the concurrence of Government who had assured him of their full support in any measures he deemed it necessary to take, arranged for police from outside to be drafted into the City and distributed his forces so as to command the various areas of the City, the Armed Reserve being held in readiness to deal with any serious outbreak.

11. A regrettable feature of the day was the delay in dealing with the recurrence of stone-throwing in the evening after the rioting near the High Court. The Commissioner has said that policemen were on duty wherever possible but not at two points near the Fort where actual stoning did take place. These two points are not usually scenes of activity and hence no doubt the absence of any point constables. That they were scenes of trouble on this occasion is due to the fact that the stoning was begun by men proceeding to or returning from the Beach meeting. The Government consider it unfortunate that, although military pickets were placed at points of vantage in Chepauk and its neighbourhood, and the procession from the Mahajana Sabha was under police control, no steps were taken to ensure that other large bodies of persons proceeding to or from the meeting should be kept under the observation of a force of police sufficient to put down at once any tendency to lawlessness.

12. The conduct of the members of the police force calls for commendation. They were subjected to a considerable trial during the prolonged stone-throwing in the morning but preserved their temper and discipline admirably. The Government cannot but consider that if a freer use had been made in the earliest stages of the mounted police force and of policemen armed with batons or lathies, the formation of so large a mob of unruly elements might have been prevented. Firing was delayed to the last possible moment and kept at the minimum necessary to produce the effect required. The decision to open fire was in the circumstances inevitable, if order was to be restored. In the light of afterevents it may perhaps now be considered to have been an error of judgment not to have dispersed the crowd that was gathered near the High Court even though it ceased after the arrival of the military to commit overt acts of violence.

13. The Government wish to place on record their appreciation of the promptness with which the military responded to the application for their assistance. The arrival of the detachment at the Law Courts produced by its mere presence an immediate effect and the crowds gathered there became quiescent. Patrols were in touch with police stations in several parts of the City and pickets and patrols were sent out in the evening, those at the First Line

Beach and the Senate House not being withdrawn till 8 A.M., on the 4th. The Government desire to express their thanks to Colonel Commandant R. B. Worgan, C.S.I., C.V.O., D.S.O., Lieutenant-Colonel A. K. Grant, D.S.O., Major A. E. Hardy, M.C., and the other officers and men of the Queen's Own Royal West Kent Regiment for the assistance rendered. The Government also desire to convey their thanks to the members of the S.P.M.R. who paraded at short notice though their services were not actually required, and to the officers and men of His Excellency the Governor's Bodyguard who were also held in readiness for action but were not called upon.

14. The Government would further express their appreciation of the assistance rendered by various non-official gentlemen in conveying information of disturbances to the police or other authorities, in endeavouring to persuade rioters to disperse and in advising motorists and others which were the safest routes.

Finally His Excellency in Council would repeat his assurance that during the stay of the Statutory Commission in Madras carefully elaborated measures will be in force to ensure the public peace and to deal promptly and effectively with any manifestation of disorder.

(By Order of the Governor in Council)

I have, etc.,

A. Y. G. CAMPBELL,

Chief Secretary to Govt.

Chamber of Commerce, Madras, 3rd *March,* 1928

TO THE CHIEF SECRETARY, GOVERNMENT OF MADRAS,
FORT ST. GEORGE,
Madras.

SIR,—I have the honour to acknowledge receipt of G.O. No. 166, Public, dated the 23rd February, 1928.

This was taken into consideration at the last monthly general meeting of the Chamber and consequent on same I am instructed to point out that the Chamber notes with satisfaction the Government of Madras are consulting the Government of Bengal as to whether the test case, there, will be initiated under the ordinary civil law or by means of some special legislation and that on receipt of this information the Madras Government will further consider the question.

It is noted that some time ago the question was under consideration of inserting in the Madras Act a provision similar to that in the City of Bombay Police Act, under which compensation for damages caused by an unlawful assembly can be recovered through Municipal authorities and the Chamber hopes that this

question will be again taken up. Were such a provision in force in Madras as in Bombay this Chamber is of opinion that it would go far to prevent disorder such as took place on the 3rd February.

The Chamber considers it a most serious matter that persons who conspire to promote disturbances of this nature should be able to escape all consequence of their acts and therefore trust the Government will take such steps as may be necessary to bring the Madras Police Act into line with that of Bombay.

I have, etc.,
H. WADDINGTON,
Secretary.

GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE.

Associated Chambers of Commerce of India and Ceylon,
Calcutta, 14th April, 1928.

TO ALL MEMBERS OF THE ASSOCIATION.

SIRS,—With reference to circular, dated the 25th July, 1927, I am directed by the President to subjoin a copy of a letter dated 10th April, received from the Upper India Chamber of Commerce and to invite an expression of the opinion of the Chambers as to the action that should be taken with regard to it.

I have, etc.,
D. K. CUNNISON,
Secretary.

[ENCLOSURE.]

Letter, dated Cawnpore, 10th April, 1928, from the Upper India Chamber of Commerce to the Associated Chambers of Commerce of India and Ceylon.

With reference to your circular, of the 25th July, 1927, I am directed to say that this circular was communicated to the British India Corporation, which represents the manufacturing interests impugned in paragraph 4 of the Government of India's letter of the 14th July, 1927.

At the annual general meeting of the Association held in December last, Mr. A. L. Carnegie, the President of this Chamber, entered into the debate on the resolution moved by the Bengal Chamber regarding Railway Workshops. His remarks

which will be found on pages 70 and 71 of the Proceedings of the meeting, directly traversed the statements made in the Government of India's letter.

I am now directed to submit the following further denial of the insinuations made by Government in this letter, for such action as the President may consider necessary.

"Para 4 of the Government of India's letter to the Associated Chambers concerns this Corporation and the Corporation cannot possibly agree with the assertion that no private trade in India exists catering for the supply of harness and saddlery up to the high standard necessary for the army. One of the branches of the Corporation supplied large quantities of these items to Government during the war, viz., over 620,000 sets of equipment and 24,000 saddles, in addition to which the branch in question has successfully supplied large quantities of various articles from time to time during the last few years. The statement is further made that endeavours have been made by the military authorities to improve the position but such endeavours have been spasmodic and, when labour has been trained to produce work which will satisfy the inspecting authorities, no continued orders have been forthcoming and the process has had to be repeated each time an order is received.

A statement is made that a large firm failed to achieve the requisite standard in spite of assistance from the inspection staff. If this statement refers to a branch of this Corporation it is incorrect, as all items manufactured by the Corporation, with the exception of a number of bits ordered last year, have been passed and accepted. It is admitted that delay in the completion of orders for certain items took place, e.g., Artillery Breast Collars. The reason was that the steel wire rope required for the tugs of these was not obtainable in India from ordinary sources, it was ultimately obtained from the Harness and Saddlery Factory after protracted correspondence and an eventual appeal to Simla. An order for Panels placed with the same firm was also admittedly delayed as supplies of Felt had to be obtained from England, the only plant capable of manufacturing felt in this country having already been fully booked with Government orders which would not brook delay.

I have referred above to certain Breast Collars, and it may be of interest to know that the branch of the Corporation which manufactured these have received private information from an Artillery Commander to whose Unit certain of these were issued that these Collars were the best he had ever seen in Army use.

The Government Leather Factory in Cawnpore claim that they issue their products to units at cost. Obviously no private firm could afford to do this, but at the same time there are unfortunately no means open to the Corporation of ascertaining if

the Harness and Saddlery Factory is working at a loss or not or if their costs are higher than those of an ordinary firm.

Another branch of the Corporation is affected by the action of the Agricultural Engineer to Government, United Provinces, who has been manufacturing Tube Well strainers in the Government Workshops in Cawnpore and is still continuing to do so despite the fact that an improved type of strainer is available from stock in Cawnpore. The Agricultural Engineer has also now negotiated and obtained an agency in these Provinces for the supply of Sugar Cane Mills manufactured in Madras, in spite of the fact that a branch of this Corporation applied for agency terms and is in a position to handle the sale of these mills equally well and probably better than a Government Department.

In order to meet Government requirements during the late War another branch of the Corporation installed considerable plant and equipment and organised a Tailoring Department. Most of the Army work is however now being diverted to the Army Factory at Shahjehanpur with the result that much of the plant specially purchased to meet Government's wishes is now lying idle. True a very considerable number of Greatcoats have been tailored by the branch concerned, the Clothing Depot at Shahjehanpur supplying garments cut out, and accordingly only the tailoring remains to be done. These are heavy work which presumably the Army Depot finds can be better done by private contractor.

These facts are brought to your notice as it is felt that your Committee will be interested in the whole question as one vitally affecting many of its members' interests.

As regards the delays above commented on, you will no doubt appreciate that these would not have occurred had the Branch in question been in the habit of receiving orders for the type of goods in question--the orders were what one might call occasional."

Chamber of Commerce, Madras, 2nd June, 1928

To the Secretary, Associated Chambers of Commerce of India & Ceylon,
Calcutta.

Sir,—With reference to your letter, dated 14th April, 1928, forwarding copy of letter from the Upper India Chamber of Commerce, Cawnpore, I am directed to state that although on a previous occasion the Madras Chamber have advised the Associated Chambers that they were satisfied with the assurances they had received from the Madras Government in regard to Government competition with private enterprise, that satisfaction is only subject to the assurances that were then given being rigidly

adhered to and the views of the Madras Chamber as to the principle of Government competition with private enterprise have undergone no change but are as strongly opposed to such competition now as they have been in the past. They are therefore prepared to support any representations the Associated Chambers may consider it desirable to make in regard to the complaint made by the Upper India Chamber.

With reference to the statement of the Upper India Chamber that the Agricultural Engineer to Government, United Provinces, had obtained an agency in the United Provinces for the supply of Sugarcane Mills manufactured in Madras, the Madras Chamber would like to have further information, as the position does not appear to be quite clear, whether the Agricultural Engineer in this case is only an Agent in a distributing sense, or has taken up a definite commercial agency for the Province to the exclusion of commercial firms in a position to handle the particular articles.

It is a fact that in many districts the Agricultural Department is in a better position to ascertain and supply the needs of the ryots than firms who are not in such close touch with the village agriculturist, but where there are local agents, the Chamber is of opinion that the Agricultural Department should, as far as possible, procure the requirements of the ryot through the agents of the manufacturers.

I have, etc.,
O. P. CHETTY,
Asst. Secretary.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 29th June, 1928.

To THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—I am directed to acknowledge the receipt of your letter, dated the 2nd June. The President has forwarded a copy of the letter to the Upper India Chamber for the information you require, and he now awaits a reply. Meantime however he has received a letter from the Upper India Chamber replying to an enquiry made by the Bombay Chamber and as the point of your enquiry is touched on in this reply, the President instructs me to forward, for your information, copies of the Upper India Chamber's letter, dated 25th June, and of the letter from the Bombay Chamber to which it refers, dated 27th April. On hearing further from the Upper India Chamber with regard to your letter of 2nd June, the President will again address you.

I have, etc.,
D. K. CUNNISON,
Secretary.

[ENCLOSURES.]

Upper India Chamber of Commerce, Cawnpore, 25th June, 1928.

TO THE SECRETARY, ASSOCIATED CHAMBERS OF COMMERCE
OF INDIA & CEYLON,
Calcutta.

SIR,—I am directed to refer to your circular, of the 14th April, and to yours of the 23rd May, forwarding a copy of a letter, of the 27th April, from the Bombay Chamber.

My Committee note that the Bombay Chamber are of opinion that since the Government of India have ruled that the Provincial Governments are entirely responsible for the manner in which institutions or factories under their control are conducted this Chamber should take up the matter with the Government of the United Provinces.

This opinion would of course be entirely acceptable so far as it applies to factories or institutions under the control of Provincial Governments but the main objections in the Chamber's letter, of the 10th April, are in regard to the competition from the Government Leather Factory at Cawnpore and the Army Clothing Factory at Shahjehanpur which being army factories are not under the Provincial Government but under the Government of India in the Army Department, and the Provincial Government has nothing whatever to do with them.

The question of competition by the Agricultural Engineer is certainly one in which the Provincial Government is concerned and in regard to this the recommendations of the Bombay Chamber is appreciated in so far as the intra-Provincial activities of the Agricultural Engineer are concerned. But this matter was instanced because of the extension of the activities of the Agricultural Engineer in working an agency for sugarcane mills manufactured in Madras, whereby, he has entered a field supply outside of these Provinces, thus introducing a new and more widely objectionable factor in Government competition with private enterprise.

My Committee will be obliged if you will kindly again refer the matter to the Bombay Chamber in view of the explanation now given.

I have, etc.,
J. G. RYAN,
Secretary.

Chamber of Commerce, Bombay, 27th April, 1928

To the Secretary, Associated Chambers of Commerce of India & Ceylon, *Calcutta.*

Sir,—I am directed to acknowledge receipt of your circular of the 14th instant, forwarding a letter from the Upper India Chamber of Commerce and inviting an expression of opinion from the Chamber as to the action which should be taken in regard thereto. Since the Government of India have ruled that the Provincial Governments are entirely responsible for the manner in which institutions or factories under their control are conducted (*vide* letter from the Department of Industries and Labour No. S. 366, of the 28th of April, 1924), my Committee are of the opinion that the Upper India Chamber should take up the matter with the Government of the United Provinces and communicate the result to the Associated Chambers.

I have, etc.,
R. Sullivan,
Secretary.

The Associated Chambers of Commerce of India and Ceylon, Calcutta, 13*th July,* 1928

To the Secretary, Chamber of Commerce, *Madras.*

Sir,—In continuation of my letter, dated the 29th June, I am now directed by the President to send you copy of a further letter, dated 9th July, received from the Upper India Chamber.

I have, etc.,
D. K. Cunnison,
Secretary.

[Enclosure.]

Upper India Chamber of Commerce, Cawnpore, 9th July, 1928.

To the Secretary, Associated Chambers of Commerce of India & Ceylon, *Calcutta.*

Sir,—With further reference to your letter, dated the 13th June, 1928, forwarding copy of a letter, dated the 2nd June 1928, from the Madras Chamber of Commerce and inviting a reference to the second paragraph, I now beg to quote below an extract from a letter from a member of this Chamber in connection with the above:—

"I write to say that when the Corporation wrote to you on the 15th of December last, the Agricultural Engineer to Government, United Provinces, held the sole agency for sugar-cane mills manufactured by Messrs. Massey and Co., Ld.,

Madras. The Corporation's branch, the Empire Engineering Co., endeavoured to obtain an agency for these mills from Messrs. Masseys but were informed that because of existing arrangements any mills which the Empire Engineering Co., cared to purchase would have to be through the Agricultural Engineer to Government of United Provinces.

"These arrangements however do not now obtain, as since the date of my letter the Empire Engineering Co., have secured the agency direct from Messrs. Masseys".

I have, etc.,
J. G. RYAN,
Secretary.

Chamber of Commerce, Madras, 2nd August, 1928.

TO THE SECRETARY, ASSOCIATED CHAMBERS OF COMMERCE OF INDIA & CEYLON,
Calcutta.

SIR,—With reference to your letters, dated the 29th June, and 13th July, 1928, I am directed to inform you that this Chamber reiterates its previously expressed opinion that the principle of a Government Department taking up the sole agency in a province for the distribution of any particular make of implement, machine or other article is undesirable.

It is learnt with satisfaction that the arrangements complained of by the Upper India Chamber have been discontinued and that the Agency has been secured by a company.

I have, etc.,
C. H. BROCK,
Secretary

ARBITRAL AWARDS.

Government of Madras, Development Department,
Fort St. George, 29th March, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—I am directed to enclose copy of a letter, dated 15th March, 1928, from the Government of India, Department of Commerce, together with its enclosures, and to request that the Government may be favoured with the views of your Chamber on the points raised.

I have, etc.,
A. McG. C. TAMPOE,
Secretary to Govt.

Government of India, Department of Commerce,
New Delhi, 15*th March*, 1928.

To the Secretary, Government of Madras,
Development Department.
Madras.

Sir,—With reference to the correspondence ending with your letter, dated 15th April, 1924, I am directed to forward a copy of the—

(1) Summary of replies of Local Governments to this Department letter, No. 4659, dated the 11th September, 1923,

(2) Protocol on Arbitration Clauses as opened for signature by all the States on September 24th, 1923,

(3) Draft Protocol on the execution of foreign arbitral awards, 1927, together with the Report of the Committee of Legal Experts,

(4) Convention relating to the execution of arbitral awards together with the Report and Draft Resolutions submitted by the Second Committee to the Assembly,

(5) Letter from the Secretary, Federation of Chambers of Commerce of the British Empire, dated the 17th January, 1928,

on the above subject.

2. It will be observed that the replies of the Local Governments and other bodies consulted shewed a general approval of the application of arbitration to commercial cases. The Madras High Court, the Bengal Chamber of Commerce and the Marwari Chamber of Commerce, Calcutta, however, took exception to the Courts being deprived of the discretion which they now possess under Section 19 of the Arbitration Act (IX of 1899), to stay proceedings where there is a submission. In this connection the Bengal Chamber stated that "although the Courts are not thus compelled to stay proceedings, they do in practice exercise their discretion unless the case is of a type that obviously ought to be dealt with by a legal tribunal rather than by lay arbitrators". They were prepared to recommend acceptance of the Protocol "with a reservation to the Indian Courts of their present discretionary powers to deal with matters which they may not consider to be fit subjects for decision by lay arbitrators". The Madras High Court took the same view. A considerable body of opinion was also doubtful whether in view of the absence of any provision for the reciprocal enforcement of awards in different countries any real benefit would accrue from the Protocol.

3. It was recognized that the Protocol mainly affected the mercantile community and as important sections of that community were loath to see the Courts deprived of their present discretion,

the Government of India did not feel justified in bringing forward a Bill to amend the Arbitration law in this sense. At the same time, since it was impossible to sign a Protocol subject to important reservations, the Secretary of State was informed that the Government of India were unable to adhere to the Protocol.

4. The Protocol of 1923 has been ratified on behalf of Great Britain, various parts of the British Empire and a considerable number of foreign countries. The number of accessions has, however, on the whole, been considered disappointing, and this is believed to be due to the absence of any arrangements for the enforcement of arbitral awards made in foreign countries. The Economic Committee of the League of Nations, with the object of removing this omission, studied the possibility of supplementing the provisions of the Protocol, and the result of their labours came before the Eighth Assembly in the form of a draft supplementary Protocol. This draft, after having been submitted to all Members of the League in order to give them an opportunity of examining it, was referred by the Second Economic Committee to a Sub-Committee of jurists. As a result of the deliberations of this Sub-Committee certain changes were made in the draft, and in view of the representations of the British Government that a Protocol might give rise to difficulties due to the peculiar constitution of the British Empire, the draft was given the form of a Convention enumerating in its preamble the heads of the States participating therein and their plenipotentiaries. This Convention is now open for signature together with the original Protocol of 1923.

5. The Convention relates to arbitral awards in general and is not restricted to awards in commercial matters. Article 1, of the Protocol of 1923, however, reserves to each Contracting State the right to limit the obligations originating from the Protocol to "commercial" contracts, and the Convention of 1927 only applies to arbitral awards covered by the Protocol of 1923. Any restriction, therefore, limiting the application of the Protocol to "commercial" awards will also govern the application of the Convention and will exclude from the purview of the Convention awards other than "commercial" awards. The Government of India are still of opinion that the application of the Protocol, so far as India is concerned, should be limited to contracts relating to the sale of goods in the export and import trade of India and contracts relating to freight, insurance, commission, etc., associated with such trade, and that accession to the Protocol and Convention by India should be accompanied by a reservation limiting the obligations to "commercial" contracts of this nature.

6. I am to point out that a discretionary power to stay proceedings similar to that conferred on Courts by the Indian law was vested in the English Courts by virtue of Section 4 of the English Arbitration Act, 1889 (52 and 53 Vict. C. 49), but in pursuance of the provisions of the Protocol of 1923 legislation has since

been passed by His Majesty's Government in the form of the Arbitrations Clauses (Protocol) Act, 1924 (14 and 15 Geo. 5, Ch. 39), depriving the Courts of this power and making the stay of proceedings mandatory in respect of matters which the parties have agreed to refer to arbitration. Moreover, as has already been stated, the absence of any arrangements for the enforcement of arbitral awards made in foreign countries, which resulted in the abstention of certain States from signing the Protocol of 1923, has been remedied by the Convention drawn up by the League of Nations for the enforcement of arbitral awards in foreign countries. This Convention has already been signed on behalf of His Majesty's Government who propose to promote legislation at the earliest possible moment to give effect to it, and similar action is in contemplation by certain other States.

7. The Government of India are generally in favour of co-operating with other countries in International Agreements of this kind, if such a course be possible without serious detriment to Indian interests, and, in the circumstances explained above, they hope that the objections previously taken in India to signing the Protocol of 1923, may now be withdrawn. Further, there is a tendency to make the adoption of the provisions of the Protocol on arbitration clauses a condition precedent to the adherence to bilateral commercial treaties and one of the obstacles experienced by the Government of India to the accession to such treaties has been their attitude as regards this Protocol. I am accordingly to request that the Protocol of 1923 and the Convention on the execution of foreign arbitral awards may be considered in the light of the information now available, and the Government of India may be favoured with the views of the Local Government as to the desirability of India's adherence to the two Instruments. As the matter is one which closely affects the commercial community, the Government of India would be glad if the views of His Excellency the Governor in Council could be furnished to them after consulting the commercial community and such other bodies or individuals as may be interested in the matter. The attention of the commercial community may in particular also be drawn in this connection to the Resolution on the subject of arbitral awards adopted by the Eleventh Congress of Chambers of Commerce of the Empire at Cape Town in October 1927.

8. I am also to request that the opinions of the Hon'ble the Judges of the High Court may be obtained and forwarded with your reply.

I have, etc.,

J. A. WOODHEAD,

Joint Secy. to the Govt. of India.

Chamber of Commerce, Madras, 17th April, 1928.

To Messrs. King & Partridge,
Madras.

Sirs,—I have been directed to ask your opinion as to whether the law in India is applicable as it stands to the conditions existing for the execution of foreign arbitral awards in accordance with the Convention which was adopted by the Assembly of the League of Nations on the 26th September, 1927.

In 1923, the Chamber were asked their opinion regarding the Protocol on Arbitration Clauses accepted by the League of Nations in that year. In replying to the Government of Madras, the Chamber particularly requested that provision might be made that if two parties mutually agreed that reference to a Court of Law was preferable to Arbitration they should be permitted recourse to the Courts. It would appear that the Arbitration Clauses Protocol Act, 1924, provide for the situation above mentioned. Is there any Indian Act on the same line; and, if not, what nature of legislation, in your opinion, should the Government of India be asked to undertake in order to give effect to the proposals of this Chamber?

I have, etc.,
C. H. Brock,
Secretary.

Madras, 14th June, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—We have now considered the terms of the convention adopted by the assembly of the League of Nations to give effect to the Protocol on Arbitration clauses which had been open for signature since 24th September, 1923, and the Act passed in England in 1924, to carry out the Protocol of 1923.

So far as we are aware there has yet been no legislation in India on the lines of the English Act of 1924.

We observe that in the opinion of your Chamber any legislation passed in India for the purpose of effectuating the intentions of the aforesaid Protocol and convention ought not to deprive the Courts in India of their right to seize and determine any matters in dispute which, in spite of an agreement to arbitrate, the parties might desire to be decided by a Court of Law.

As we read the terms of the Protocol of 1923, and the proceedings of the Select Committee of the League of Nations and the provisions of the convention as finally adopted by the

League, it appears to be the intention that where the parties have agreed to submit any existing or future disputes to arbitration the Court should in all cases stay its hand and enforce the agreement so as to compel the parties to have their disputes adjudged by arbitration.

In our opinion the English Act of 1924 does not leave any discretion to the Courts even though the parties so desire or the courts think fit to adjudicate on any matters in dispute, if there is a submission to arbitration under the terms of a written contract.

Ordinarily an arbitration clause in a contract does not oust the jurisdiction of the Civil Courts and a party to such a contract is entitled as of right to file a suit in a Court of Law.

Under Section 4 of the English Arbitration Act of 1899, corresponding to Section 19 of the Indian Arbitration Act, any party to such legal proceedings may at any time, after appearance and before delivering any pleadings and taking any other steps in the proceedings, apply to the Court for a stay of the proceedings, and the Court or a Judge, if satisfied that there is not sufficient reason why the matter should not be referred in accordance with the submission, and that the applicant was at the time when the proceedings were commenced and still remains ready and willing to do all things necessary for the proper conduct of the arbitration, may make an order staying the proceedings.

It will thus be seen that in the case of an arbitration under the present law where both the parties are in the same country a large discretion is vested in Courts as to whether or not a suit in respect of a contract containing an arbitration clause should be proceeded with in a Court of Law, and the person who applies for a stay has to satisfy a number of conditions before a stay is granted.

On the other hand the English Act of 1924, which has been enacted solely for the purpose of enabling awards in arbitration proceedings in foreign countries to be enforced in England, makes it compulsory for the Court to grant a stay unless it is satisfied that the agreement or arbitration has become inoperative and cannot proceed.

On a comparison of Section 4, quoted above and Section 1 of the Act of 1924, it is obvious that the powers of the Court are very much restricted under the Act of 1924.

If it is desired that legislation should be undertaken in India to put into effect the terms of the Protocol and convention agreed by the Assembly of the League of Nations, without at the same time impairing the jurisdiction of Civil Courts to seize and

determine any dispute which has been agreed to be submitted to arbitration, we think that such legislation should proceed somewhat on the lines of Section 4 of the English Arbitration Act, 1899. In other words legislations somewhat like the English Arbitration Clauses (Protocol) Act of 1924, should be undertaken but the language of such legislation with regard to the discretion of the Courts should follow the language of Section 4 of the Arbitration Act, 1899.

It appears to us that even such legislation will not achieve the objects intended to be attained by the Protocol and convention.

The speeches of the mover of the convention disclose the difficulty of arriving at a common understanding with regard to certain essential things necessary for giving effect to Arbitral awards in foreign countries.

In our experience the difficulty in enforcing claims, whether through courts or arbitrators, has been chiefly one of obtaining legal evidence to prove the facts relating to the claim. The convention that has been ultimately agreed to at the assembly of the League of Nations still requires—and rightly—evidence of certain matters to be given before an arbitral award made in one country is enforced in another country, both of which have signed the convention. Having regard to the procedure now obtaining in India it is almost impossible to obtain such evidence, because the Courts in India have no power to issue a direct commission to examine a witness in a foreign country, but the Commission has to be executed through the intervention of the Government of India, the Foreign Office in England and the Government of the foreign country. We have always felt that in commercial cases documents purporting to be *prima facie* properly signed and executed in a foreign country and relating to commercial transactions should be held to be *prima facie* evidence of the contents thereof, until rebutted by other evidence. In order to bring about this result it is necessary that the Evidence Act should be amended, so as to allow of such documents being admitted in evidence without formal proof, and if this were done a considerable portion of the difficulty now experienced with regard to disputes between Indian merchants and foreign merchants would disappear.

We believe that such legislation is in the contemplation of the Government of India and we suggest, if we may, that the Government of India may be addressed in this matter by the Chamber. Unless and until the Evidence Act is amended as indicated, we do not think that any amount of suggestions with regard to arbitration will in any way tend to quicken the settlement of commercial disputes between foreign merchants and merchants of this country.

We may also point out that arbitration in this country has not been very popular and probably in 90 cases out of a 100 disputes between parties, who have expressly agreed to arbitration, are ultimately settled by a Court of Law, even though at the initial stages an attempt has been made to have the same decided by an arbitrator.

We have, etc.,
KING & PARTRIDGE.

Chamber of Commerce, Madras, 6th October, 1928.

TO THE SECRETARY, GOVERNMENT OF MADRAS,
DEVELOPMENT DEPARTMENT,
Madras.

SIR,—With reference to your letter, dated 29th March, 1928, I am directed to express the regret of the Chamber in having delayed reply to the above question for so long, but the matter has proved to be one of considerable difficulty and it has been necessary to consult other Chambers as well as to obtain legal advice on the matter.

To put into effect the terms of the Protocol and Convention agreed by the Assembly of the League of Nations, without at the same time impairing the jurisdiction of Civil Courts to seize and determine any dispute which has been agreed to be submitted to Arbitration, this Chamber understands that it would be necessary for legislation to be undertaken in India possibly on the lines of Section 4, of the English Arbitration Act, 1899. At the same time it appears to the Chamber that even such legislation will not achieve the objects intended to be attained by the Protocol and Convention.

Experience in India shows that the difficulty in enforcing claims, whether through courts or arbitrators, has been chiefly one of obtaining legal evidence to prove the facts relating to the claim. The Convention that has been ultimately agreed to at the assembly of the League of Nations still requires—and rightly—evidence of certain matters to be given before an arbitral award made in one country is enforced in another country, both of which have signed the convention. Having regard to the procedure now obtaining in India it is almost impossible to secure such evidence, because the Chamber is advised that the Courts in India have no power to issue a direct commission to examine a witness in a foreign country. The Chamber is of the opinion that, in commercial cases, documents purporting to be *prima facie* properly signed and executed in a foreign country and relating to commercial transactions should be held to be *prima facie* evidence of the contents thereof until rebutted by other evidence. In order to bring about this result it would be necessary that the Evidence Act should be amended, so as to allow of such documents being admitted in evidence without formal proof.

Unless and until the Evidence Act is amended as indicated, the Chamber is of the opinion that any suggestions with regard to arbitration are unlikely in any way to quicken the settlement of commercial disputes between foreign merchants and merchants of this country, and therefore considers that the Government of India should not adhere to the Convention.

I have, etc.,
C. H. BROCK,
Secretary.

NATIONAL RESEARCH.

Associated Chambers of Commerce of India and Ceylon,
Calcutta, 1st March, 1928.

TO ALL MEMBERS OF THE ASSOCIATION,

SIRS,—I am directed to send you, for an expression of the opinion of your Chamber as to the proposals contained in the letter, dated the 7th February, 1928, from the Federation of Chambers of Commerce of the British Empire on the subject of National Research.

I have, etc.,
D. K. CUNNISON,
Secretary.

Letter dated London, the 7th February 1928, *from the Federation of Chambers of Commerce of the British Empire, to the Associated Chambers of Commerce of India and Ceylon.*

I am instructed to communicate to you the terms of the following resolution adopted by the Eleventh Congress of Chambers of Commerce of the British Empire which took place in Cape Town in October last:—

"Whereas the work of National Research is a record of unparalleled achievement to the advantage of the British Empire during the Great War when the intellectual and industrial forces were unified with one object and were pooled to the advantage of the allied powers.

And whereas the work of National Research has been aided by comparatively trivial grants from some of the Dominions within the British Empire.

And whereas competition in the realm of National Research should be stimulated by grants to Universities and Industrial Laboratories to promote co-operation to further the development of the national resources of each country within the Empire.

Therefore be it resolved :—

That the Federation of Chambers of Commerce of the British Empire urge upon the Governments of the various parts of the British Empire the urgent necessity of establishing such national research institutes with sufficient financial appropriations to enable them to function in the most modern and scientific way, or in the case of such countries of the Empire as have already established in any degree such institutes, that the Governments of these countries be urged to place at the disposal of such institutes sufficient financial appropriation to enable them to undertake researches with the object—

(a) of improving the technical processes and methods used in the industries and of discovering new processes and methods which may promote the expansion of existing industries or the development of new industries,

(b) of assisting in the development of the natural resources of the country, and

(c) of promoting the utilization of the waste products of industries.

And further—

That the result of such investigations and researches made by any country within the Empire be placed, in so far as may be expedient and practicable, at the disposal of all other countries in the Empire who are in a position to make use of them, in the belief that the benefits accruing from such Imperial co-operation will be of the greatest possible advantage to the whole Empire both commercially and from the point of view of mutual protection."

The Executive Committee have decided to invite Associations of Chambers of Commerce to take the matter up with their respective Governments and I am, therefore, to express the hope that you will make representations in the sense indicated to your Government.

Chamber of Commerce, Madras, 29th March, 1928.

To the Secretary, Associated Chambers of Commerce of India & Ceylon, *Calcutta.*

Sir,—I have to acknowledge your letter of the 1st instant forwarding copy of letter received from the Federation of Chambers of Commerce of the British Empire communicating the text of the Resolution on National Research adopted at the 11th Congress of the Chambers of Commerce of the Empire, at Cape Town, in October last. This was considered at the last monthly

general meeting of the Chamber when it was resolved to inform you that, whilst the Madras Chamber cordially supports these resolutions in principle, a great deal of technical and specialised investigation will be necessary before they can be put into practice. The principles involved are already engaging the attention of most industrialists while the Government of India has not shown itself indifferent to the development of the natural resources of the country, but further development on the lines indicated by the Federation of Chambers of Commerce of the British Empire is largely a question of ways and means.

I have, etc.,
H. WADDINGTON,
Secretary.

THE INDIAN MERCHANDISE MARKS ACT, 1889

Madras, 17th March, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—I have the honour to forward a copy of a Bill to amend the Indian Merchandise Marks Act, 1889, and shall be obliged if you will be so good as to furnish me with the views of your Chamber on the provisions of the Bill.

I have, etc.,
L. B. GREEN,
for *Director of Industries.*

Chamber of Commerce, Madras, 27th March, 1928.

TO THE DIRECTOR OF INDUSTRIES,
Madras.

SIR,—I have to acknowledge your letter, dated the 17th March, 1928, forwarding copy of a Bill to amend the Indian Merchandise Marks Act, 1889.

In reply, I am directed to point out that the main difficulty in connection with the carrying out of the provisions of the Bill appears to be in the application of the trade description to goods "on sale" as provided for in Clause 12 A (2) (c).

If wholesale merchants were made to apply the trade description after importation, it would entail the opening out and repacking of each package, causing great inconvenience and expense.

Were the proposed ruling to be applied to piecegoods such as are ordinarily sold by length or by the piece the difficulty to some extent could be avoided in adoption by shippers of a general practice of marking such goods before packing but if under this ruling each piece of cloth however small, sold by dealers, is to be stamped at the time of sale with the country of origin an impossible position would be created. Dhooties are largely imported in 20 yards lengths, each length comprising, say, 6 dhooties joined together. The 20 yards piece could easily be stamped with the country of origin on the outside of the piece before shipment, but these dhooties are often retailed separately. Towels are in the same category and possibly many other items. But then there remain all the goods which are cut at time of sale into small portions.

The Bill embraces Piecegoods and every other sort of Merchandise and it would require a responsible Board to settle what should be stamped and what not. Some goods are extremely difficult to stamp and we think the rule would be liable to produce vexatious restrictions to Trade.

In any case we do not see how stamping can be enforced in the case of goods already imported and passed through the customs as no proper controls could be introduced to provide universal compliance.

We take the view that the sale of Indian goods would not be encouraged by the application of rules such as are suggested because buyers, of whatever nationality, are usually attracted by cheapness and an extension of the stamping practice will merely tend to draw attention to articles manufactured by those countries which have a reputation for cheap production.

I have, etc.,
H. WADDINGTON,
Secretary.

INDIAN PATENTS AND DESIGNS ACT, 1911.

Madras, 30*th October*, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—I have the honour to forward a copy of a Bill to amend the Indian Patents and Designs Act, 1911, and to request that you will be so good as to favour me with the views of your Chamber on the provisions of the Bill.

I have, etc.,
L. B. GREEN,
for *Director of Industries.*

Chamber of Commerce, Madras, 30th November 1928.

To the Director of Industries,

Madras.

Sir,—I have to acknowledge receipt of your letter, dated the 30th October, 1928, forwarding copy of a Bill to amend the Indian Patents and Designs Act, 1911.

At the last monthly general meeting of the Chamber the above Bill was considered, and I am directed to inform you that the Madras Chamber has no objection to the provisions of the Bill.

I have, etc.,
C. H. Brock,
Secretary.

REGISTRATION OF TRADE MARKS

The Associated Chambers of Commerce of India and Ceylon, Calcutta, 17th July, 1928.

To all Members of the Association.

Sirs,—I am directed to invite an expression of opinion on the point raised in the copy of a letter, dated 29th June, from the Burma Chamber of Commerce.

I have, etc.,
D. K. Cunnison,
Secretary.

[Enclosure.]

Letter No. P. 367/162, dated the 29th June, 1928, from the Burma Chamber of Commerce to the Associated Chambers of Commerce of India and Ceylon.

This Chamber has recently been approached with a suggestion that the question of the ownership of trade marks should be seriously tackled with a view to placing the whole matter upon a sound and satisfactory basis. The establishment of a Trade Mark Register is suggested as the most useful step that could be taken.

This Chamber is of opinion that a work of such magnitude could only be undertaken by a Government agency of the nature of the Board of Trade in England, and even then the practical difficulties in the way would be very great. It is recognised, however, that India should not lag behind the more civilised countries in this respect, and the longer the step is delayed, the greater will become the difficulties in the way of its successful accomplishment. Eventually, a Trade Mark Register applying to the whole country will have to be set up.

I am therefore to suggest that the Associated Chambers take the opinion of the constituent Chambers upon the advisability of approaching Government on the subject. It would probably be useful to include the subject in the agenda of the Annual Meeting in December.

Chamber of Commerce, Madras, 2nd August, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon, *Calcutta.*

Sir,—Your letter of the 17th July, 1928, forwarding copy of communication from the Burma Chamber of Commerce in regard to the registration of trade marks was considered at the last monthly general meeting of the Chamber.

The Chamber agreed to the suggestion that the subject be included in the agenda of the annual meeting in December.

I have, etc.,
C. H. Brock,
Secretary.

TRADE DISPUTES BILL.

Chamber of Commerce, Madras, 14th September, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon, *Simla.*

Sir,—At a meeting of the Committee of this Chamber held yesterday, I was directed to send you the following telegram which I confirm :—

"Madras Chamber considers Trade Disputes Bill useful in cases of Government concerns and public utility services and does not consider it advisable to oppose introduction from point of view private employers but would press for various amendments when Bill goes to committee about which writing fully.

The following is a resume of the opinions expressed and suggestions made at the meeting :—

Section 2 (c). It was considered that it should be more clearly defined whether or not the Bill is intended to apply to all employers or only to concerns under Government control.

In the Statement of Objects and Reasons to the Bill it is inferred that all employers are included within the scope of the Bill, while the Bill itself seems to contemplate only Government employers.

It is suggested that this might be given effect to by the insertion of a fuller definition between the words "means" and "in the case of, etc".

Section 2 (d) was discussed in conjunction with Section 2 (h) and the question was raised as to how far Satyagraha could be included as a Strike, and it was considered that the definition of Strike should be amended so as to include Satyagraha or any other similar method of cessation of work. It was pointed out that Indian public opinion generally regards a lock-out following on Satyagraha as actually a lock-out and not a strike.

Another point that might be included is the case of a diminution of work which does not actually amount to cessation, that is to say, a "ca'canny" attitude, which might be designed to coerce employers. This attitude on the part of workers generally leads to a lock-out. The Bill is clearly intended to bring public opinion to bear upon disputes, and Indian public opinion is undoubtedly influenced by the fact as to whether a dispute commenced as a strike or as a lock-out.

It is suggested that the definition of "Strike" in Section 2 (h) might read as follows:—

"Strike means cessation of work, by Satyagraha or otherwise, by a body of persons, etc."

Section 2 (j). So as to make it clear that workmen who, at the same time are members of the Auxiliary Forces, are not included in the exceptions to this section, it is suggested that the last words of the paragraph should read:—"employed in the Regular Naval, Military or Air Services of the Crown."

Section 3. It was considered that the anticipation of the formation of a Court of Inquiry or Board of Conciliation might very probably prolong a strike or a lock-out in the hopes that Government might be compelled to intervene. At the same time the Committee were strongly of the opinion that Government should not intervene unless one or both parties require such intervention to take place.

It is suggested that in this section, after the words:—"the Governor General in Council, may," the following words should be inserted:—"with the consent of either party."

Cases might very likely arise when a dispute arrives at a dead-lock, neither side being inclined to make a move for fear of appearing to show weakness. With the amendment suggested Government would still have the opportunity to intervene by addressing the conflicting parties and asking either or both to consent to an Inquiry or Board of Conciliation. This would give the contending parties an opportunity for an inquiry or conciliation without either of them being compelled to show any sign of weakening by making the first move.

Section 9 (2) (b). It was considered that the possibility of disclosure of confidential information, which must necessarily be available to Courts and Boards, was a distinct danger, in spite of the safeguards provided for under Section 13 (1). The possibility of there being any danger naturally depends entirely on the persons who are members of the Court or Board, and it is conceivable that a person on the Court or Board, who is a member of a rival business, might obtain inside information as to costs, etc., which, although not published, might be made use of At the same time the Committee could not suggest any way to get over this difficulty except by the exercise of discretion on the part of the Appointing Authority, as they recognise the necessity of the provision for finality of orders constituting a Court or Board embodied in Section 8.

Section 15 (1). It was noted that this Section apparently applies only to persons on monthly wages. Railways and some industrial concerns disburse wages to daily rated staff monthly as a convenience. Others make weekly or fortnightly disbursements to employees on a daily wage. The question arises as to whether such daily rated staff, in the case of Railways in particular, are to be considered as monthly paid staff for the purpose of the Bill, and it is considered that a clear definition on this point is necessary.

It was also noted that, recently, there had been a movement to introduce a Bill providing for the payment of Railway Staff at more frequent intervals than monthly, and, should such a Bill be passed, a revision of this Section will be all the more necessary.

I have, etc.,

C. H. Brock,

Secretary.

Chamber of Commerce, Madras, 14*th September*, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon,

Calcutta.

Sir,—With reference to your telegram of the 5th instant, I forward you a copy of a letter, expressing the views of the Chamber on the provisions of the above Bill, addressed to Simla Office.

I have, etc.,

O. P. Chetty,

Asst. Secretary.

Government of Madras, Public Works and Labour Department, Fort St. George, 18th October, 1928.

To the Secretary, Chamber of Commerce.
Madras.

Sir,—I am directed to forward a copy of letter with its enclosures regarding the Trade Disputes Bill from the Government of India and to request that you will be so good as to favour the Government with the opinion of your Chamber on the provisions of the Bill.

2. I am to request that the reply may be sent by the 20th November, 1928.

I have, etc.,
C. A. Souter,
Secretary to Government.

[Enclosure.]

Copy of letter from the Government of India, Legislative Department, No. F. 117-I/28-A, dated the 6th October, 1928.

With reference to the Debates of the Legislative Assembly of the 21st September 1928, I am directed to forward herewith copy of the Trade Disputes Bill, and to request that the Governor in Council will favour the Government of India in this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

Chamber of Commerce, Madras, 15th November, 1928.

To the Secretary, Government of Madras,
Public Works and Labour Department,
Madras.

Sir,—I have the honour to acknowledge, with thanks, receipt of your letter No. 17389 A/28-2, dated the 18th October, 1928, enclosing from the Government of India, No. F. 117-1/28-1, dated the 6th October, 1928, with its enclosures regarding the Trade Disputes Bill.

I am directed to inform you that the Madras Chamber is, on principle, opposed to any compulsory intervention of Government in Trade Disputes but it observes that this Bill does not contemplate compulsion in the methods by which it is proposed to give effect to its provisions.

The Madras Chamber considers that the Trade Disputes Bill is likely to prove useful in cases of Government concerns and Public Utility Services and does not oppose the introduction of the Bill from the point of view of private employers but considers that certain amendments could with advantage be made.

The following are some of the points which the Madras Chamber considers should receive attention in the Bill :—

It should be more clearly defined whether or not the Bill is intended to apply to all employers or to concerns under Government control only, and it is suggested that this might be given effect to by the insertion of a fuller definition in Section 2 (c) between the words "means" and "in the case of, etc."

It is also considered that the definition of the word "Strike" should be amended so as to include Satyagraha or any other similar method of cessation of work, because Indian public opinion generally regards a lock-out following on Satyagraha as actually a lock-out and not a strike.

It was also considered that cases of diminution of work, which do not actually amount to cessation, might be included in the definition, that is to say, a "Ca'canny" attitude which might be designed to coerce employers. This attitude on the part of workers generally leads to a lock-out. The Bill is clearly intended to bring public opinion to bear upon disputes and Indian public opinion is undoubtedly influenced by the fact as to whether a dispute commenced as a strike or as a lock-out.

The Chamber also considered that the anticipation of the formation of a Court of Inquiry or Board of Conciliation might very probably prolong a strike or a lock-out in the hopes that Government might be compelled to intervene. At the same time the Committee was strongly of the opinion that Government should not intervene unless one or both parties require such intervention to take place.

It is suggested that in Section 3, after the words :—"The Governor-General-in-Council, may" the following words should be inserted :—"with the consent of either party."

Cases might very likely arise when a dispute arrives at a dead-lock, neither side being inclined to make a move for fear of appearing to show weakness. With the amendment suggested Government would still have the opportunity to intervene by addressing the conflicting parties and asking either or both to consent to an Inquiry or Board of Conciliation. This would give the contending parties an opportunity for an inquiry or conciliation without either of them being compelled to show any sign of weakening by making the first move.

The Chamber also considered that the possibility of disclosure of confidential information, which must necessarily be available to Courts and Boards, was a distinct danger, in spite of the safeguards provided for under Section 13 (1). The possibility of there being any danger naturally depends entirely on the persons who are members of the Court or Board, and it is conceivable that a person on the Court or Board, who is a member of a rival business, might obtain inside information as to costs, etc., which, although not published, might be made use of. At the same time the Chamber cannot suggest any way to get over this difficulty except by the exercise of discretion on the part of the Appointing Authority, as they recognise the necessity of the provision for finality of orders constituting a Court or Board embodied in Section 8.

It was noted that Section 15, apparently applies only to persons on monthly wages. Railways and some industrial concerns disburse wages to daily rated staff monthly as a convenience. Others make weekly or fortnightly disbursements to employees on a daily wage. The question arises as to whether such daily rated staff, in the case of Railways in particular, are to be considered as monthly paid staff for the purpose of the Bill, and the Chamber considers that a clear definition on this point is necessary.

I have, etc.,
C. H. Brock,
Secretary.

BILL TO AMEND THE INDIAN PENAL CODE (RE: TRADE UNION REGISTRATION)

Government of Madras, Law (General) Department,
Fort St. George, 19*th April,* 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,--I am directed to forward copy of the above bill together with the Statement of Objects and Reasons and to request that your Chamber will be so good as to favour Government with an expression of its views on the provisions of the Bill. It is requested that a reply to the reference may be sent not later than the 31st May, 1928.

I have, etc.,
C. Ramanujachari,
for *Secretary to Government.*

[ENCLOSURE.]

Whereas it is necessary to legalise Trade Unions;

And whereas it is expedient to protect the members and office-bearers of such Trade Unions from criminal liability under Section 120B of the Indian Penal Code;

And whereas it is necessary to protect from criminal liability any two or more persons acting together to do any act in contemplation of furtherance of a trade dispute or in restraint of trade;

And whereas it is expedient further to amend the Indian Penal Code for the purposes herein-before appearing;

It is hereby enacted as follows:—

1. This Act may be called the Indian Penal Code (Amendment) Act, 192 .

2. To Section 43 of the Indian Penal Code the following proviso shall be added, namely:—

"Provided that nothing is illegal if done or procured to be done by two or more persons in contemplation or furtherance of a trade dispute or in restraint of trade, unless it be an offence when committed by one person."

STATEMENT OF OBJECTS AND REASONS

1. Trade Unions are now organised all the world over as a legitimate method of protecting and furthering the cause of labour. The Trade Unions Act of 1926 is only an instance of the recognition of this principle in India, though only to a limited extent. The said Act, however, protects only such of the Trade Unions, their members and office-bearers as are "registered" under the said Act. It affords no protection to Trade Unions which are not registered.

2. In the infant state of the Trade Union movement in India and even afterwards some Trade Unions may not get themselves registered under the Act. It is, however, absolutely necessary to protect the members and office-bearers of such Trade Unions from the criminal liability for their acts done in contemplation or furtherance of a trade dispute or in restraint of trade. Moreover, under the present unorganised condition of labour in India there will be many cases when two or more persons may combine themselves without forming a Trade Union in furtherance or for the protection of the interests of labour. The actions of such persons also require to be protected from the consequence of Section 120B, of the Indian Penal Code.

3. Under the existing criminal law, as contained in Section 120B, of the Indian Penal Code, an agreement between two or more persons to do an illegal act is an offence. The word illegal as defined in Section 43, of the Indian Penal Code includes *inter alia* anything which affords a ground for civil action. And an act done by two or more persons in contemplation or furtherance of a trade dispute or in restraint of trade may afford a ground for civil action and thereby would be "illegal" and would come under the criminal conspiracy as defined in Section 120B, of the Indian Penal Code. Such an act was not considered to be an offence before the Indian Penal Code was amended in 1913. Further, such an act is not an offence under the English law. It is true that under Section 196A of the Criminal Procedure Code the previous complaint or authority from the Governor General in Council, the Local Government or some officer empowered by the Governor General in Council is necessary to start the prosecution. But it cannot be denied that under some circumstances it may become difficult for the authorities giving sanction for prosecution to resist the pressure brought to bear upon them by influential employers. Moreover, in this country Government themselves are large employers of labour.

4. It is, therefore, necessary for the protection of the members and office-bearers of unregistered Trade Unions and unorganised workers to amend the existing criminal law and to bring it into line with the English law and with the Indian Criminal Law as it stood before 1913.

5. This object is sought to be achieved by modifying the definition of the term "illegal" by adding a proviso to it at the end of Section 43 of the Indian Penal Code as given in Clause 2 of the Bill.

N. M. JOSHI.

The 30th January, 1927.

Chamber of Commerce, Madras, 17th May, 1928.

To the Secretary, Government of Madras,

Law (General) Department,

Madras.

Sir,—I have the honour to acknowledge receipt of your letter No. 1495-4/A, dated 19th April, 1928, forwarding copy of a Bill to amend the Indian Penal Code for the purpose of giving to Members and Office Bearers of unregistered Trades Unions and any group of workers who are engaged in a Trade dispute that immunity from criminal liability which the Trades Union Act affords to members of Registered Trades Unions.

In reply, I am directed to advise you that the Chamber is of the opinion that all the protection that is claimed by the mover of this amendment as "absolutely necessary" for Members and Office Bearers of unregistered Trade Unions can be obtained by registering under the Act, and it is difficult to suggest reasons why the persons whom this amendment is designed to protect should fail or omit to obtain the protection which Membership of a registered Trade Union would afford.

If the proposed amendment were accepted it would mean that persons seeking its protection would obtain all the privileges of the Trade Union Act, while accepting none of its liabilities, the Act would soon become a dead letter and the adjustment of Trade disputes would become still more difficult as there would be no recognised registered body to negotiate with.

The tendency of Trade Union Legislation in England since the General Strike has been to tighten rather than to relax the law in the interests of the members of Trade Unions, and such complete relaxation of the existing Trade Union Act in India as the proposed measure contemplates, might be calculated to have a most unfortunate effect in the present state of Trade Unionism in India. It would expose the labourers to the exploitation of any group of persons who chose to call themselves Labour Leaders and claim immunity for their actions under the proposed Amendment.

The Chamber, therefore, strongly opposes the proposed amending Bill for the reason that it would, in effect, negative the whole of the safeguarding measures in the Trades Union Act.

I have, etc.,
C. H. Brock,
Secretary.

Chamber of Commerce, Madras, 17th May, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon,
Calcutta.

Sir,—With reference to your letter of the 10th instant, I enclose copy of letter addressed to the Government of Madras, Law (General) Department, expressing the views of this Chamber on the provisions of the above Bill.

I have, etc.,
O. P. Chetty,
Asst. Secretary.

PROTECTION OF WORKERS EMPLOYED IN LOADING AND UNLOADING GOODS AND COALING SHIPS AT DOCKS, WHARFS, ETC.

Presidency Port Office, Madras, 26th September, 1928.

To the Chamber of Commerce,
Madras.

Gentlemen,—As desired by the Government of Madras, I have the honour to forward herewith copy of Government of India letter No. 712-S (3), dated the 5th September, 1928, on the subject of Legislation for the protection of workers employed in loading and unloading goods and coaling ships at docks, wharves, etc., and to request that you will please forward your observations thereon.

I have, etc.,
A. E. Godfrey,
Commander, R.N.R., (Retired),
for *Presidency Port Officer*

[Enclosure.]

Copy of letter from J. A. Woodhead, Esq., I.C.S., Joint Secretary to the Government of India, Department of Commerce, to the Secretary to the Government of Madras, Finance (Marine) Department, No. 712-S (3), dated Simla, the 5th September, 1928 :—

In connection with the above subject, I am to say that the British Factory and Workshop Act, 1901, applies to workers employed at docks, wharfs, etc., in loading, unloading, moving and handling goods, etc., and Section 79 of the Act empowers the Secretary of State to certify certain processes of manual labour to be dangerous and to frame such regulations as appear to him to be reasonably practicable and to meet the necessity of the case. The Indian Factories Act, 1911, (Act XII of 1911), is not applicable to workers at docks, wharfs, etc., and contains no provision corresponding to Section 79 of the British Act. As the law now stands, therefore, it is impossible for the authorities in India to frame regulations on the lines of those prescribed under Section 79 of the British Factory and Workshop Act, for the protection of persons employed in loading, unloading, moving and handling goods, etc., at docks, wharfs, quays and ships. The attention of

the Government of India has recently been drawn to this difference between the English and the Indian Acts, and it has been suggested that it might be advisable for steps to be taken to protect workers employed at docks, wharfs, etc.

2. The Government of India are not aware whether there are any regulations at present in force in the Indian ports dealing with the above matter, and whether they are considered to be adequate in actual practice. Before proceeding further with the question, therefore, the Government of India would be glad to be favoured with information as regards the existing position and also with the views of the Local Government as to the desirability of protecting by legislation the above classes of workers. The Local Government, before formulating their conclusions, will no doubt consult the various Port Trusts and such other commercial bodies as they may think fit.

Chamber of Commerce, Madras, 25th October, 1928.

To the Presidency Port Officer,

Madras.

Sir,—I have to acknowledge receipt of your No. 1741-GT-1, dated the 26th September, 1928, forwarding copy of communication from the Government of India, Department of Commerce, on the subject of protection of workers employed in loading and unloading goods and coaling ships at docks, wharfs, etc.

I am directed to inform you that the Madras Chamber is not opposed to such legislation but is of opinion that, as conditions vary so greatly in different places, it would appear to be a matter of considerable difficulty to lay down hard and fast rules applicable to all ports.

It seems therefore desirable that there should be as much scope as possible for the local authorities in the various ports to frame such rules as may be necessary according to local conditions, though in regard to purely mechanical precautions it would no doubt be practicable to establish a standard that can be generally accepted.

In order to make such provision as may seem necessary, the Chamber is of opinion that it would be preferable rather to amend the Indian Ports Act or introduce special legislation rather than to extend the provisions of the Indian Factories Act, which is not applicable and contains no provision corresponding to Section 79 of the British Act.

I have, etc.,

C. H. Brock,

Secretary.

PROTECTION AGAINST ACCIDENTS TO WORKERS EMPLOYED IN LOADING AND UNLOADING SHIPS.

Presidency Port Office, Madras, 31st August, 1928.

To the Chamber of Commerce,

Madras.

Gentlemen,—As desired by the Government of Madras, I have the honour to forward herewith a copy of the Questionnaire which has been placed on the Agenda of the 12th Session of the International Labour Conference to be held in 1929, and to request that you will be good enough to forward any replies you may desire to make so as to reach this office not later than the 8th September, 1928.

I have, etc.,
A. E. Godfrey,
Commander, R.N.R. (Retired),
for *Presidency Port Officer.*

[Enclosure.]

QUESTIONNAIRE.

1. Do you consider that the Conference should adopt a Draft Convention concerning the protection against accidents of workers employed, on board or ashore, in loading or unloading ships?

2. (1) If so, to what risks of the employment of these workers should the Draft Convention primarily refer?

(2) Do you consider that the Draft Convention should cover, for example, such points as the following:

(a) Work ashore—

Approaches to and roads over docks, wharves, quays, etc., lighting, working spaces, safe landing places, fencing of dangerous places, safe means of access shore to ship, etc.:

(b) Work aboard—

Safe means of access ship to shore, to holds or other working places, ship to other ships or barges, lighting of ship, height of coamings, safe means of transport from quay to ship, where the ship is not alongside the quay, means of escape from lower holds when bulk cargo such as coal, etc., is being worked, etc.

(c) Work ashore and aboard—

Competence of persons employed in the control of gear, hoisting and other apparatus, inspection and testing of all gear whether fixed or loose gear means of protection for the workers when handling or working in proximity to explosive, inflammable, corrosive or other dangerous or dusty cargo, etc.?

3. What provisions on the points referred to above or any others you wish to add do you consider should be included in the Draft Convention:—

(a) in respect of work ashore;

(b) in respect of work on board ship?

4. Do you consider the Draft Convention should prescribe methods of adequate inspection and improvement of plant and gear, etc., the keeping of registers in this connection, etc.?

What provisions on these points should be included in the Draft Convention?

5. Do you consider the Draft Convention should define the responsibilities of the different bodies and persons concerned, for the protection of dock workers against accidents with a view to the enforcement of the safety regulations laid down by the Draft Convention?

6. Do you consider the Draft Convention should contain clauses, and, if so, what clauses, relating to:

(a) the provision of first-aid, ambulances, etc.;

(b) the setting up of 'Safety First' Committees, and collaboration between workers, employers and the authorities on safety provisions?

7. What other matters relating to the general protection of dock workers against accidents do you consider should be dealt with in the Draft Convention?

Chamber of Commerce, Madras, 11th September, 1928.

To the Presidency Port Officer,
Madras.

Sir,—I beg to thank you for your Circular letter, dated 3rd instant, enclosing a Questionnaire with reference to protection against accidents to workers employed in loading or unloading ships.

I am directed to inform you that, owing to the short time given for reply, it is not possible to give a detailed consideration to all the points raised in the Questionnaire. The Madras Chamber is however not opposed to the proposed draft convention on

general principles, but consider that many of the points which are raised in the Questionnaire are adequately covered, so far as this country is concerned, by existing legislation and the local rules and by-laws in force in the various Boards controlling the Harbours, and the superintending of shipping exercised by the Board of Trade.

While this Chamber is of the opinion that some general standard directed towards the establishment of adequate protection of workers may be desirable, it is considered that the diversity of local conditions in harbours in different parts of the world renders it difficult to define too closely the precise measures to be taken, and strongly deprecates the introduction of any procedure which is likely to hamper trade or lead to increased costs in the working of ships in port, or the creation of appointments which may not be proved to be necessary, and certainly as far as the port of Madras is concerned do not appear to be needed.

I have, etc.,

C. H. Brock,

Secretary.

PROHIBITION OF EMPLOYMENT OF WOMEN IN UNDERGROUND.

Board of Revenue, Land Revenue and Settlement,
Madras, 7th July, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—I am to enclose copies of the Government of India Notification No. M. 1055, dated 14th June, 1928, relating to the exclusion of women from employment in underground workings in mines and to request you to obtain and forward the views and suggestions of your Chamber on the subject. The effect of the regulations appended to the notification, if these are finally promulgated in their present form will be to prohibit absolutely the employment of women in underground workings from the beginning of April 1929. The draft regulations involve no fresh restriction on the employment of women in open quarries or on those parts of a mine which do not extend beneath the superjacent ground.

The Board would be glad to have a reply by the 15th August, 1928.

I have, etc.,

N. Koilpillay,

for *Secretary.*

DEPARTMENT OF INDUSTRIES AND LABOUR

NOTIFICATION.

Simla, the 14th June, 1928.

No. M.-1055.—The following draft of regulations which it is proposed to make in exercise of the powers conferred by Section 29 of the Indian Mines Act, 1923 (IV of 1923), is published as required by sub-Section (1) of Section 31, of that Act for the information of all persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration on or after the first day of October, 1928. Any objection or suggestion which may be received from any person in respect of the draft before the date specified will be considered by the Governor General in Council.

Draft Regulations for prohibiting the employment of women underground in Mines.

1. These regulations shall come into effect at once.

2. In these regulations—

(1) "exempted mine" means:

(a) coal mines in Bengal, Bihar and Orissa and the Central Provinces;

(b) salt mines in the Punjab;

in which women were employed in underground workings during any part of the year 1926.

(2) "Underground workings" comprises any part of a mine situated beneath the superjacent ground, and includes vertical shafts provided for access to, or for the ventilation of such workings.

3. On and after the 1st day of April, 1929, no woman shall be permitted to enter or remain in the underground workings of any mine unless—

(a) she has the express permission of the Chief Inspector, or

(b) in the case of an exempted mine, she has upon her person prominently displayed a valid token issued under regulation 4 and bearing the name of that mine.

4. The Chief Inspector shall, before the 31st day of March in each of the years 1929 to 1938 inclusive, issue to the manager of each exempted mine metal tokens bearing the name of the mine, a serial number and the number of the year in which the tokens are issued.

5. The number of tokens bearing the year number 1929 so issued in respect of each mine shall be equal to the daily average number of females employed underground as entered in the statutory return of that mine relating to persons employed during the year ending the 31st December, 1926, or, in respect of any mine for which no return was made, to the average number of females estimated by the Chief Inspector to have been so employed during the year 1926. The number of tokens issued bearing the year numbers 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937 and 1938 shall be the integer nearest to 90 per cent., 80 per cent., 70 per cent., 60 per cent., 50 per cent., 40 per cent., 30 per cent., 20 per cent., and 10 per cent., respectively, of the number of tokens issued bearing the year number 1929.

6. Every token issued under regulation 4 shall be valid from the 1st day of April of the year borne on the token up to the 31st day of March in the following year.

7. Tokens which have been lost will not be replaced.

8. Every token issued under regulation 4 shall remain the property of Government and shall be returned to the Chief Inspector within one month from the date on which it ceased to be valid.

A. G. Clow,
Secretary to the Govt. of India.

Chamber of Commerce, Madras, 2nd August, 1928.

To the Secretary, Board of Revenue,
Land Revenue and Settlement,
Madras.

Sir,—I have the honour to acknowledge receipt of your letter, dated 7th July, 1928, forwarding Notification from the Government of India, Department of Industries and Labour, No. M. 1055, dated 15th June, 1928, on the above subject.

I am directed to draw your attention to this office letter of 9th August, 1923, addressed to the Department of Industries and Labour in which the opinion was expressed that it was advisable to restrict the employment of women in mines as soon as ever employers are in a position to replace female by male labour.

Though not particularly concerned with Mining interests the Chamber are prepared to support the revised proposals to exclude women from employment in underground workings in mines.

I have, etc.,
C. H. Brock,
Secretary

UNIVERSITY LIBRARY 17 MAY 1949

INTERNATIONAL LABOUR CONFERENCE, GENEVA.

Office of the Commissioner of Labour,
Madras, 26th November, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—I have the honour to enclose for your information a copy of press communique, issued by the Government of India in the Department of Industries and Labour containing the agenda for the 12th and 13th sessions of the International Labour Conference to be held at Geneva in 1929.

I have, etc.,
S. H. SLATER,
Commissioner of Labour.

[ENCLOSURE.]

GOVERNMENT OF INDIA.

DEPARTMENT OF INDUSTRIES AND LABOUR,
Dated, Simla, the 25th October, 1928.

PRESS COMMUNIQUE

The Government of India have been informed that two Sessions of the International Labour Conference will be held at Geneva in 1929—the first, a General Session and the second, a Special Session dealing with questions relating to maritime labour. The General Session (Twelfth Session) will open on the 30th May, 1929, and the items on the formal Agenda of this Session are:—

I. Prevention of industrial accidents.

II. Protection against accidents of workers engaged in loading or unloading ships.

III. Forced labour.

IV. Hours of work of salaried employees.

Under the double discussion procedure, there will be a final discussion on the first two items and a first discussion on the third and fourth items.

The Maritime Session (Thirteenth Session) will open on the 10th October, 1929, and the Items on the Agenda of this Session are:—

I. Regulation of hours of work on board ship.

II. Protection of seamen in case of sickness (including treatment of seamen injured on board ship).

III. Welfare of seamen in ports.

IV. Minimum standard of professional qualifications for masters, navigating officers, and engineer officers in charge of watches on merchant vessels.

2. The representation of each State for each of the two Sessions should include four delegates of whom two will be Government representatives, one a representative of the employers and one a representative of labour. The right of nominating all the delegates rests with Government, but in selecting the delegates for employers and labour, the Government of India will attach due importance to recommendations made by organised representative associations of employers and employed.

3. All suggestions as to the nomination of non-Government delegates for both the Sessions should reach the Secretary to the Government of India in the Department of Industries and Labour at the earliest possible date, and in any case, not later than the 15th January, 1929, in order to enable Government to make the selections, to report them to the International Labour Office and to make adequate arrangements for the journey of the delegates.

I have, etc.,

Deputy Secretary to the Government of India.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 22nd November, 1928.

To all Members of the Association.

Memo:—The subjoined copies of letter, dated 16th November, 1928, from the Bengal Chamber of Commerce and of its enclosure are circulated for information.

I have, etc.,
D. K. Cunnison,
Secretary.

[Enclosure.]

Letter dated Calcutta, the 16th November, 1928 *from the Bengal Chamber of Commerce to the Association.*

This Chamber has had under consideration the terms of the press communique issued, on 25th October, by the Government of India, Department of Industries and Labour. The press communique explains that two sessions of the International Labour Conference will be held at Geneva in 1929, and gives particulars of the subjects that will be discussed there. Suggestions are invited as to the nomination of non-Government delegates and this

Chamber is recommending to Government the appointment as the delegate representing employers, of Mr. P. H. Brown, C.B.E., of Messrs. Mackinnon Mackenzie and Co., Calcutta. It occurs to the Committee that perhaps Chambers which are not themselves submitting any recommendations to Government may feel disposed to support the suggestion that Mr. Browne should be nominated, and to address their local Government to this effect and the Committee would be glad if the matter might be brought to the notice of the Chambers.

Associated Chambers of Commerce of India and Ceylon,
Calcutta, *5th December*, 1928

To all Members of the Association.

Memo:—The subjoined copy of a letter, dated 1st December, from the Punjab Chamber of Commerce is issued for the information of members in continuation of circular, dated 22nd November, 1928.

I have, etc.,
D. K. Cunnison,
Secretary.

[Enclosure.]

Letter dated 1st December, 1928, *from the Punjab Chamber of Commerce to the Association.*

We are directed to acknowledge the receipt of your circular, of the 22nd November, 1928, notifying the nomination, by the Bengal Chamber of Commerce, of Mr. P. H. Browne, C.B.E., of Messrs. Mackinnon Mackenzie and Co., Calcutta, as one of the Employers' Delegates to the above Conference.

From the Press Communique it is clear that there will be two sessions of the International Labour Conference at Geneva in 1929, and we presume that Mr. Browne is nominated for the Maritime Session (thirteenth session). Our Committee will have pleasure in supporting the nomination.

We are directed to inform you that our Chamber is recommending to Government the appointment of Mr. P. Mukerjee, the Chairman of this Chamber, as one of the four Advisers to the Employers' Delegates to the above Conference and it occurs to our Committee also that constituent Chambers of the Association which are not submitting to Government the full quota of Advisers to the Employers' Delegates may feel disposed to support this Chamber's recommendation that Mr. P. Mukerjee should be nominated as one of the Advisers to the Employers' Delegates to the above Conference and to address the Secretary to the Government of India, Department of Industries and Labour, to this effect as early as possible, but not later than the 15th January, 1929, as emphasised in the Press Communique.

Chamber of Commerce, Madras, 24th December, 1928.

To the Commissioner of Labour,

Madras.

Sir,—In reply to your letter of the 26th November last, I am instructed to advise you that this Chamber supports the recommendation already made by the Bengal Chamber of Commerce that the Government of India should nominate Mr. P. H. Browne, C.B.E., of Messrs. Mackinnon Mackenzie and Co., Calcutta, as delegate to represent Employers at the twelfth and thirteenth sessions of the International Labour Conference to be held at Geneva in 1929.

I am to request that this recommendation be forwarded to reach the Secretary, Government of India in the Department of Industries and Labour, not later than the 15th proximo.

I have, etc.,
H. Waddington,
Secretary.

Chamber of Commerce, Madras, 24th December, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon,

Calcutta.

Sir,—With reference to your letters of the 22nd November and 5th December, 1928, I beg to advise you that this Chamber has addressed the Madras Government through the Commissioner of Labour, Madras, supporting the recommendation already made by the Bengal Chamber of Commerce that the Government of India should nominate Mr. P. H. Browne, C.B.E., of Messrs. Mackinnon Mackenzie and Co., Calcutta, as delegate to represent Employers at the twelfth and thirteenth sessions of the International Labour Conference to be held at Geneva in 1929.

I have, etc.,
H. Waddington,
Secretary.

Office of the Commissioner of Labour, Madras, 8th January, 1929.

To the Secretary, Chamber of Commerce,

Madras.

Sir,—I have the honour to request you to be so good as to communicate with the Secretary to the Government of India, Department of Industries and Labour, Delhi, direct with reference to your letter of the 24th December.

I have, etc.,
S. H. Slater,
Commissioner of Labour.

Chamber of Commerce, Madras, 10*th January,* 1929.

To the Secretary, Government of India,

Department of Industries and Labour.

Delhi.

Sir,—I am instructed to advise you that this Chamber supports the recommendation already made by the Bengal Chamber of Commerce that the Government of India should nominate Mr. P. H. Browne, C.B.E., of Messrs. Mackinnon Mackenzie and Co., Calcutta, as delegate to represent Employers at the twelfth and thirteenth sessions of the International Labour Conference to be held at Geneva in 1929.

This recommendation was forwarded you through the Commissioner of Labour, Madras, but has been returned to-day with a request that it should be forwarded to you direct.

I have, etc.,
H. Waddington,
Secretary.

THE INDIAN ACCOUNTANCY BOARD

Government of Madras, Law (Education) Department,
Fort St. George, 13*th September,* 1928.

To the President, Chamber of Commerce,

Madras.

Sir,—I am directed to forward copy of a letter from the Government of India, Department of Commerce, No. 131 T. (2), dated 20th August, 1928, on the subject of the establishment of an Indian Accountancy Board and to request you to be so good as to favour the Government with the views of your Chamber on the proposals contained in the letter not later than the 15th October, 1928.

I have, etc.,
C. Ramanujachari,
for *Secretary to Government.*

[Enclosure.]

Government of India, Department of Commerce,
Simla, 20*th August,* 1928.

To the Secretary, Government of Madras.

Law (Education) Department.

Sir,—I am directed to refer to the correspondence ending with your letter No. 98-Mis., dated the 22nd January, 1926, on the subject of the establishment of an Indian Accountancy Board. In their letter No. 131-T. (2), dated the 16th November,

1925, to the address of all Local Governments, the Government of India reviewed the existing arrangements for the grant of auditors' certificates under Section 144 of the Indian Companies Act, 1913, which were never intended to be more than temporary and transitional; and they expressed certain tentative and provisional views on the course of future development. It was explained that the Government of India were of opinion that the ultimate aim should be to build up in India an association or associations of Accountants of the same standing and reputation as the principal Institutes and Societies of Accountants in the United Kingdom; but they thought that it would be generally agreed that in consideration of the importance of the issues at stake and of the need for ensuring that any such association should be generally recognised as authoritative, it would be premature at present to attempt to establish an association which would be fully responsible for the maintenance of the requisite standards of professional qualification and conduct among its members. If this were the general opinion, it appeared to the Government of India to be essential that any new arrangements for the grant of auditors' certificates should be such as would be consistent with the ultimate formation of an authoritative association of Accountants; and as a first step towards this object it had been suggested that the Government of India should constitute an Indian Accountancy Board. The Government of India considered that the suggestion was attractive and asked the Local Governments for a preliminary expression of their views. At the same time, it was proposed to call a small informal conference of persons specially interested in the subject and specially qualified to advise on it, and of representatives of Local Governments, to explore the whole subject.

2. The opinions received indicated that it was generally accepted that the time was ripe for some measure of central control, and the subject was further examined at the informal conference which was held at Delhi on the 20th March, 1926. Opinion at the conference was almost unanimous that the preparation of a scheme for an Indian Accountancy Board should be proceeded with, and that the formation of an autonomous association of Accountants should be kept in view as the ultimate aim. The conference appointed a sub-committee to consider the details of the scheme, and the Memorandum, which forms an enclosure to this letter, embodies the final views at which the sub-committee arrived at a meeting held at Delhi on the 19th March, 1927.

3. The Memorandum is self-contained, and there is only one matter on which some further explanation appears to be required. This is the question whether any distinction should be recognised between "practising" and "non-practising" Accountants; and in particular, whether auditors' certificates should in

future be granted only to Accountants in independent practice, or should continue, as at present, to be granted also to Accountants holding, for instance, a salaried post in a business firm. It is understood that no such distinction exists in English law, and that the professional restrictions imposed by Institutes and Societies of Accountants in the United Kingdom differ. After very careful consideration, the sub-committee was of opinion that no distinction should be made either in the Indian Companies Act or in rules made under the Act for the certification of auditors, and that both "practising" and "non-practising" Accountants should be equally eligible for certificates entitling them to act as auditors of public companies. The sub-committee considered that the matter might be further examined by the Indian Accountancy Board when constituted, but was of opinion that it could only be finally settled by a demand from shareholders that the accounts of companies in which they were interested should be audited by "practising" Accountants.

4. I am now to ask that the Government of Madras, after consulting such bodies or persons as they may think desirable, will furnish the Government of India with their views on the scheme embodied in the Memorandum.

I have, etc.

G. L. Corbett,

Secretary to the Government of India.

Chamber of Commerce, Madras, 9th October, 1928

To the Secretary, Government of Madras,

Law (Education) Department,

Madras.

Sir,—I have the honour to acknowledge receipt of your letter, dated 13th September, 1928, forwarding copy of communication from the Government of India, Department of Commerce.

I am directed to advise you that this Chamber approves of the principles underlying the suggestion to establish an All-India Accountancy Board, with a view to the establishment of some form of Institute or Association of Auditors or Accountants in India of similar standing and reputation to existing Institutions in Great Britain and Ireland, and that the scheme embodied in the Memorandum submitted by the Sub-Committee appointed by the Delhi Conference has the commendation of the members of this Chamber.

I have, etc.,

C. H. Brock,

Secretary.

RESERVE BANK OF INDIA BILL

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 3rd February, 1928.

To all Members of the Association.

Sirs,—I beg to refer to my telegram of 30th January reading:

Reserve Bank Bill will be introduced in Legislature on 6th February. Please send your views regarding Bill direct to Sir Walter Willson before then.

2. The President will be glad if you will kindly send me a copy of any opinion on the Bill which your Chambers may have forwarded or be forwarding to Sir Walter Willson.

I have, etc.,
D. K. Cunnison,
Secretary.

Chamber of Commerce, Madras, 4th February, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon,
New Delhi.

Sir,—The Chamber duly received the telegram from the Associated Chambers, Calcutta, asking that it should forward direct to you its views regarding the Reserve Bank Bill. Under the special circumstances which have since arisen in regard to this proposed measure there would appear now to be no necessity to submit these to you telegraphically and I am to advise in the connection that the Chamber considers the Bill as a whole may be supported and has no amendment to it to propose.

I have, etc.
H. Waddington,
Secretary.

Chamber of Commerce, Madras, 6th February, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon,
Calcutta.

Sir,—With reference to your letter of the 3rd instant I enclose for your information copy of a letter which this Chamber has addressed to Sir Walter Willson.

I have, etc.
O. P. Chetty,
Asst. Secretary.

ENDORSEMENTS ON DEMAND DRAFTS BY BANKS

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 5th March, 1928.

To all Members of the Association.

Sirs,—I am directed to send you for information letter, dated the 15th February, 1928, from the Government of India, Finance Department.

I have, etc.,
D. K. Cunnison,
Secretary.

[Enclosure.]

Letter No. D/423-A, dated the 15th February, 1928, from the Government of India, Finance Department, to the Associated Chambers of Commerce of India and Ceylon, Calcutta.

I am directed to invite a reference to letter dated the 11th December, 1926, from the Associated Chambers of Commerce of India and Ceylon, on the subject of legislation to afford to banks in India the same measure of protection as the law in England affords to bankers in England in the matter of endorsements which are afterwards found to be forged or without authority.

2. The Government of India have again given the matter their careful consideration, but they have come to the conclusion that on the merits it cannot be said that the speeches in support of the resolution adopted by the Associated Chambers at their eighth annual general meeting furnish sufficient ground for re-consideration of the decision previously arrived at, namely, that legislation should not be undertaken until it has been demonstrated by a test case or otherwise that the law in India as it at present stands does not afford the protection which is *ex hypothesi* desirable.

Chamber of Commerce, Madras, 29th March, 1928.

To the Secretary, Associated Chambers of Commerce of India & Ceylon,
Calcutta.

Sir,—I have to acknowledge your letter of the 5th instant forwarding copy of communication, dated the 15th February, 1928, from the Government of India, Finance Department, on the Resolution passed at the Annual General Meeting of the Associated Chambers in 1926 recommending that the Indian law governing endorsements on demand drafts drawn by one branch of a bank upon another branch of the same bank be amended so as to afford the same protection to bankers in India as the law in England affords to bankers in England.

At the Monthly General Meeting of this Chamber your letter was considered and I am instructed to advise you that this Chamber, whilst regretting the decision of the Government of India not to accept the recommendations made by the Associated Chambers, is prepared to support further representations on this subject, if it is considered necessary to make.

I have, etc.,
H. WADDINGTON,
Secretary.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 4th April, 1928.

TO ALL MEMBERS OF THE ASSOCIATION.

SIRS,—In continuation of my circular, dated the 5th March, 1928, I am directed by the President to subjoin a copy of a letter, dated 21st idem, which has been received from the Bengal Chamber of Commerce. The letter expresses the opinion that matters should not be allowed to rest, and that the Association should press the Government of India to enact legislation to make the position perfectly clear. The President will be glad if you will be good enough to favour me with an expression of the opinion of your Chamber as to whether the Association should address the Government of India on these lines; if you consider that the matter should be pressed in this way, perhaps you will kindly say if there are any points, other than those mentioned in the Bengal Chamber's letter, which you think might be emphasised.

I have, etc.,
D. K. CUNNISON,
Secretary.

[ENCLOSURE.]

Letter No. 981—1928, *dated the* 21*st March*, 1928, *from the Bengal Chamber of Commerce to the Associated Chambers of Commerce of India and Ceylon.*

I am directed to acknowledge the receipt of your circular No. 11-A.C., dated the 5th March, incorporating copy of letter, dated 15th February, received by you from the Government of India, Finance Department, on the subject of the proposal that legislation should be undertaken to afford to bankers in India the same measure of protection as the law in England affords to bankers in that country in the matter of endorsements on demand drafts drawn by one branch of a bank upon another branch of the same bank. The Government of India state that they have come to the conclusion that the speeches in support of the proposal which were made at the annual meeting of the Association in December, 1926, do not furnish sufficient ground

for reconsideration of the decision previously arrived at, namely, that legislation should not be undertaken until it has been demonstrated by a test case or otherwise that the law in India as it at present stands does not afford the protection which is *ex hypothesi* desirable.

2. The Committee have again considered the question, in consultation with the Finance Sub-Committee of the Chamber. They regard the Government of India's answer as most disappointing, and they consider that the matter should not be allowed to rest here. The Hon'ble Sir Basil Blackett, when speaking at the meeting of the Associated Chambers in December, 1926, remarked that there seemed to be no difference of opinion as to the desirability of full protection being afforded, but that there did seem to be a difference of opinion among the legal fraternity as to the exact position. He explained that the Government of India were advised that it was at least extremely probable that the law was already exactly what was being asked for, and he added that Government would be perfectly willing to put the law right if it was wrong.

3. The Chamber considers that in a matter such as this the Government of India assume an untenable position when they argue that before undertaking an amendment of the law they are justified in waiting until the opinion of their advisers has been proved to be wrong. The mere fact that that opinion is at variance with the opinion of the Bombay Chamber's advisers is in itself sufficient to show the need there is for amending the law and clarifying an uncertain position; for it is surely as much the duty of Government to make the law clear where it is not clear as it is their duty to rectify the law where it has been definitely found, by decisions in the courts, to be unjust. It is admitted that the banks are entitled to the protection they have asked, and this being so the position should not be permitted to remain as it is if there is the slightest doubt as to whether, under the law as it stands, they actually enjoy that protection. The fact that the Government of India have taken so long to consider the question—the resolution was adopted in December, 1926, and their decision is communicated only in February, 1928—this fact suggests that some difficulty has been experienced by them in arriving at a decision, and that the position is, even from their point of view, not free from doubt.

4. There is a further point which is, it seems to the Chamber, of considerable importance. As has been shown, there is a definite difference of opinion between two sets of advisers as to what the present position of the law is. This being so, it is by no means improbable that the different High Courts would hold opposite views and give conflicting decisions in cases coming before them and involving this, and no other, issue. It is, the Committee feel, the duty of the Government of India to take such measures as may be within their power to obviate such a position by amending the law now.

Chamber of Commerce, Madras, 11th April, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon.

Calcutta.

Sir,—I have to thank you for your circular letter dated the 4th instant, which crossed my letter to you of the 20th March on the same subject.

I am directed to inform you that this Chamber fully supports the views of the Bengal Chamber of Commerce given in their letter, dated 21st March, 1928.

I have, etc.,
C. H. Brock,
Secretary.

The Associated Chambers of Commerce of India and Ceylon, Calcutta, 3rd August, 1928.

To All Members of the Association.

Sirs,—I am directed to refer to my Circular dated 4th April last. It will be remembered that the circular invited an expression of opinion on a suggestion that the Association should again address the Government of India pressing for legislation to clarify a position which, the Association contends, is not at present clear. Replying to the circular, the Bombay Chamber suggested that any such representation to Government would be greatly strengthened if the opinion of two eminent Counsel were obtained, and they further suggested that the Exchange Banks might be asked to combine with the Association in the matter.

2. The President thought that this was a suggestion which might be adopted with advantage and accordingly, after ascertaining that the Exchange Banks would like to co-operate with the Association, he had a case submitted to Mr. N. N. Sircar and Mr. L. P. E. Pugh, these Counsel being recommended by the Solicitors for their wide experience of commercial law. On the suggestion of the Solicitors, Counsel were asked to give their opinions independently, and not in consultation. The opinions have now been obtained, and copies of them are attached hereto. It seems to the President that these entirely justify the Association approaching the Government of India again in the matter, and there is attached hereto the draft of letter to Government on the subject.

3. The President will be glad if you will kindly let me know as soon as convenient whether your Chamber approves of the terms of the draft letter to Government.

I have, etc.,
D. K. Cunnison,
Secretary.

[Enclosure.]

Opinion by Mr. N. N. Sircar.

The definition of a Bill of Exchange as given in Section 5 of the Negotiable Instruments Act is different from that given in Section 3 of the Bills of Exchange Act.

Under the English law a draft drawn by a branch on another branch of the same bank is not a bill, because the drawer and the drawee are in law the same person. Therefore, such a draft is not within the protection of the Bill of Exchange Act, Section 60.

Lord Lindley has held that a bank, which is both drawer and drawee of such an instrument, is not entitled to treat it as a Bill of Exchange as defined in Section 3 of the English Act.

Capital and Counties Bank v. *Gordon*, 1903 A. C. 240 at page 250.

Of course under the English Bills of Exchange Act, inasmuch as such a draft is not a bill, it cannot be treated as a cheque.

Halsbury Vol. 1, p. 612.

The definition given in Section 5 of the Negotiable Instruments Act is substantially different and it seems that such a draft may be held to be a Bill of Exchange under the Indian law. The Indian definition does not in terms insist that the drawer and the drawee should be two distinct persons, as the English section demands.

See 15 Bom. 267.

This point was raised before the Special Bench of the Calcutta High Court on a reference from the Board of Revenue, but this question has not been finally settled so far as we can make out from the report of the judgment of the Special Bench in the *Statesman* of the 13th of June, 1928.

Section 85 of the Negotiable Instruments Act protects bankers in respect of forged indorsements on cheques. A cheque is only a Bill of Exchange drawn on the banker payable on demand (Section 6). Therefore in case of a forged indorsement on a demand draft, a banker seems *prima facie* to be protected by Section 85 of the Negotiable Instruments Act, inasmuch as it comes within the definition of cheque as specified in that Act.

Section 85 of the Negotiable Instruments Act is different from Section 60 of the Bills of Exchange Act and the difference in the conception of a Bill of Exchange created by the two definitions may lead to different results and consequently seems to make inapplicable the observations of Lord Lindley to Indian conditions.

The real difficulty has been created by a judgment of the Bombay High Court reported in I.L.R. 15 Bom. 267. There the Court has held that such a demand draft as is under discussion, is an ambiguous document within Section 17 of the Negotiable Instruments Act and the holder has an option to treat such an instrument as a promissory note and thus to take it out of the protection afforded by Section 85 of the Negotiable Instruments Act.

With great respect such a draft does not seem to come within the scope of Section 17 of the Negotiable Instruments Act. Still so long as that judgment stands, a banker is not fully protected. Sargent J. who decided the case in 15 Bom. has a very great reputation as an eminent Judge and the existence of the judgment cannot be safely ignored.

The reason is shortly as follows:—

Although such a draft may be covered by Section 85 of the Negotiable Instruments Act, still the protection may be rendered illusory by the election of the payee who to suit his own ends may treat it as a promissory note.

A banker is not, therefore, fully safeguarded so long as the decision in 15 Bom. stands and such a draft, judicially held to be an ambiguous one, will induce the party concerned to invoke the assistance afforded to him under the option given by Section 17 of the Negotiable Instruments Act.

In these premises a short amendment of the Negotiable Instruments Act is advisable on the lines of Section 19 of the English Stamp Act, 1853. The new section may be numbered as Section 85A. In any event it should be placed after Section 17 of the same Act.

A draft of the new section is given below:—

> "Notwithstanding anything hereinbefore contained, when any draft or order is drawn upon a banker for a sum of money payable to order on demand, and on presentation for payment, purports to be indorsed by the person to whom the sum is payable, and the bank pays the same, it shall not be incumbent on the banker to show that the indorsement of the payee or any subsequent indorsement was made by or under the authority of the person whose indorsement it purports to be, and the banker shall not incur any liability although such indorsement has been forged or made without any authority."

Opinion by Mr. I. P. E. Pugh.

I am asked to advise whether the law in India affords the same protection as the law in England to bankers who pay bank drafts on forged or irregular endorsements or to put it in another

way, whether there is an obligation upon bankers paying demand drafts drawn on them by their branches or *vice versa* to satisfy themselves that endorsements thereon are actually made by or on behalf of the payee, under penalty of being responsible for the amount in case of irregularity.

Under English Law the banker is protected in the case of demand drafts by Section 19 of the Stamp Act, 1853 (16 and 17 Vict., C. 59).

> "Provided always, that any draft or order drawn upon a banker for a sum of money payable to order on demand which shall when presented for payment purport to be endorsed by the person to whom the same shall be drawn payable, shall be a sufficient authority to such a banker to pay the amount of such draft or order to the bearer thereof, and it shall not be incumbent on such banker to prove that such endorsement or any subsequent endorsement was made by or under the direction or authority of the person to whom the said draft or order was or is made payable either by the drawer or any endorser thereof."

It was held in the *Capital and Counties Bank* v. *Gordon* 1903 A.C. 240 that a draft drawn by one branch on another is not a Bill of Exchange or a cheque, but that it is protected by this section as a draft drawn on a banker.

With regard to order bills payable on demand, the English banker is afforded the same protection by Section 60 of the Bills of Exchange Act which is as follows:—

> "When a bill payable to order on demand is drawn on a banker and the banker on whom it is drawn pays the bill in good faith and in the ordinary course of business it is not incumbent on the banker to show that the endorsement of the payee or any subsequent endorsement was made by or under the authority of the person whose endorsement it purports to be and the banker is deemed to have paid the bill in due course although such endorsement has been forged or made without authority."

The Indian banker on the other hand has to rely for the whole of his protection on Section 85 of the Negotiable Instruments Act. This section is as follows:—

> "When a cheque payable to order purports to be endorsed by or on behalf of the payee, the drawer is discharged by payment in due course."

It has been suggested that by reason of the definitions in the Indian Act of *bill of exchange* and *cheque,* the law may be wider than the English Law and affords the banker protection

without the aid of any section equivalent to Section 19 of the Stamp Act. The English definitions are as follows:—

> Section 73.—A cheque is a bill of exchange drawn on a banker payable on demand.
>
> Section 3.—A bill of exchange is an unconditional order in writing addressed by one person to another signed by the person giving it requiring the person to whom it is addressed to pay on demand or at a fixed or determinable future time a sum certain in money to or to the order of a specified person or to bearer.

The Indian definitions are:—

> Section 6.—A cheque is a bill of exchange drawn on a specified banker, and not expressed to be payable otherwise than on demand.
>
> Section 6.—A bill of exchange is an instrument in writing containing an unconditional order signed by the maker directing a certain person to pay a certain sum of money only to or to the order of a certain person or to the bearer of the instrument.

There is no definition of maker.

The difference between the definitions is, therefore, that the Indian Act speaks of an order signed by the maker directing a certain person while the English Act speaks of an order addressed by one person to another. As a bank and its branches form one legal person it follows that the drafts under consideration are not addressed by one person, to another person. In India, however, it does not speak of another person; the maker gives a direction to a certain person. There is nothing to show that the certain person may not be a branch of the same bank or itself.

The decision in the *Capital and Counties Bank* v. *Gordon* 1903 A.C. 540 turns on the definition of a bill of exchange as an order addressed by one person to another, but the decision appears not to have been accepted by Bailhache J. in *Ross* v. *London County and Westminster and Parrs Bank, Ltd.*, 1919, K.B. 678 who held that a banker's draft is a cheque. The *Capital and Counties Bank* v. *Gordon* was not cited in argument but as Sir John Simon appeared on one side and Mr. Douglas Hogg, now Lord Hailsham, on the other the point could hardly have been overlooked.

In K.B. 15 Bombay 267 Sergeant C.J., held that in case of a banker's draft the payment under a forged endorsement is protected by Section 85 and in effect that such a draft is a cheque. On this case fortified by Bailhache J.'s decision and the different wording of the Negotiable Instruments Act from the Bills of Exchange Act together with some similarity in the wording of Negotiable Instruments Act to the wording of the Stamp Act

of 1853 I am of opinion that an Indian Court other than the Calcutta Court would probably disregard the decision in the *Capital and Counties Bank* v. *Gordon* and hold that a banker's draft is a cheque protected by Section 85 of the Negotiable Instruments Act.

As regards the Calcutta Court it would seem that the decision might have to be the other way for in two cases 22 C.L.J., p. 22 and 19 C.W.N., 1326 the Calcutta Court has held that the drawer and drawee must be different persons as was held in *Capital and Counties Bank* v. *Gordon* and that consequently documents where drawer and drawee are the same are not bills of exchange or cheques but are to be stamped as bonds. These decisions relate to Shah Jog hundis and the Court might decline to follow them on that ground, still they do definitely state a principle which would prevent Section 85 from applying.

There has been a recent Stamp reference in Calcutta in which it has been held that such Bankers' drafts are within the definition of bills of exchange under the Stamp Act. I have seen a copy of the Judgment which, however, has not yet been reported. That is a different point and turns on a particular definition. The reasoning so far as I recollect it rather supports the view I have taken contrary to the Shah Jog hundi cases.

It appears to be. a case for legislation for where there are conflicting decisions in different courts the conflict should be set at rest by legislation.

There is a larger question as to Bills of Exchange properly drawn on a banker as to which bankers are protected in England and not in India.

The reason of this variation and the limitation of protection to cheques is no doubt that the Negotiable Instruments Act applies to hundis in the absence of custom to the contrary.

To complete the examination into the state of the law a point was raised in I.L.R. 50 Bom. at p. 118, as to whether Section 85 applied in case of the forgery of an endorsee's signature as well as to that of the payee—it was contended that it did not but a single Judge on the Original Side held that it did by reason of an amendment of Section 16 (2) of the Act. The English Acts speak of endorsement by the payee or any subsequent endorsement and in case the same point may be raised again under the Indian Act and carried to appeal, it might be as well to make the point clear as I have done in the suggested amendment.

With regard to the merits or the desirability or otherwise of altering the law in this country I am not asked to offer an opinion. In my opinion the following proposed section substituted for the present Section 85 of the Negotiable Instruments Act would bring the law in India into line with that in England.

Proposed Amendment to Section 85.

Where—

(1) A cheque payable to order or

(2) A bill of exchange payable to order on demand and drawn on a banker or

(3) A draft or order drawn on a bank or any of its branches by such bank or any of its branches payable to order on demand

purports to be endorsed by or on behalf of the payee or by any endorsee the drawee is discharged by payment in due course.

From—The Secretary, Associated Chambers of Commerce of India and Ceylon,

To—The Secretary, Government of India, Finance Department.

I have the honour to refer to your letter, dated the 15th February, 1928. The letter was in reply to the recommendation of the Association to the effect that the Indian law governing endorsements on demand drafts drawn by one branch of a Bank upon another branch of the same Bank should be amended so as to afford the same protection to bankers in India as the law in England affords to bankers in England.

2. The recommendation referred to was embodied in a resolution adopted by the Association at their annual meeting in December, 1926. In the course of the discussion on the subject which preceded the adoption of the resolution the Hon'ble Sir Basil Blackett remarked that there seemed to be no difference of opinion as to the desirability of full protection being afforded to bankers, but that there did seem to be a difference of opinion among the legal fraternity as to the exact position. He explained that the Government of India were advised that it was at least extremely probable that the law was already what was being asked for, and he added that Government would be perfectly willing to put the law right if it was wrong. Your letter of 15th February last states that the Government of India have again given the matter their careful consideration, but that they have come to the conclusion that on the merits it cannot be said that the speeches in support of the resolution, when it was under discussion by the Association, furnished sufficient ground for reconsideration of the decision arrived at on a previous occasion, namely, that legislation should not be undertaken until it has been demonstrated by a test case or otherwise that the law in India as it at present stands does not afford the protection that is *ex hypothesi* desirable.

3. I am directed to say that the Chambers have learned the Government of India's decision with considerable disappointment. To them it is a matter of regret that the Government of India should defer taking action until the opinion of the legal advisers of Government has been proved to be wrong; for it appears to them that it is just as important that Government should undertake to make the law clear where it is not clear, as that the law should be rectified where it has been definitely found, by decisions in the courts, to be unjust. In this case it is admitted that the Banks are entitled to the protection they have asked; the point that is in doubt is whether they do in fact enjoy such protection already, and on this point it is already known to the Government of India that there is a difference of opinion between their legal advisers and those of the Bombay Chamber of Commerce. Further, in view of this difference of opinion it is by no means improbable that the different High Courts would hold opposite views and give conflicting decisions in cases coming before them and involving this, and no other, issue.

4. The Chambers desire to ask the Government of India to reconsider their decision, and they think it will perhaps be of great interest to Government to read the opinions on the point given recently by two Counsel who have been consulted separately regarding it and have given independent opinions. Copies of the opinions are attached hereto, and it will be noted that in each case Counsel considers that an amendment of the law should be undertaken to put the position beyond doubt. In view of these opinions the Association has no hesitation in strongly urging the Government of India to introduce the simple legislation required, and they trust that this will be undertaken at an early date. They may mention that it is within their knowledge that in view of the present uncertainty certain branch offices of banks have refused to cash drafts drawn on them by other branches unless the signatures of the payees are known or have been suitably identified. Such precautions are of course natural, but they involve inconvenience to merchants and in certain cases are a definite hindrance to trade.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 22nd September, 1928.

TO ALL MEMBERS OF THE ASSOCIATION,

SIRS,—I am directed to refer to circular, dated the 3rd August, and to say that, as the draft letter to the Government of India, Finance Department, embodied in the circular has been generally approved by the Chambers, it has now been submitted to Government, along with copies of Counsel's opinions.

I have, etc.,
D. K. CUNNISON,
Secretary.

INTEREST BILL.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 6th March, 1928.

To all Members of the Association.

Sirs,—I am directed to send you herewith copy of a letter dated the 16th February, 1928, from the Government of India, Legislative Department, with its enclosures, and to request you to kindly favour me with the views of your Chamber on the provisions of the Bill.

I have, etc.,
D. K. Cunnison,
Secretary.

[Enclosure.]

Letter No. F. 71-II/26-A, dated the 16th February, 1928, from the Government of India, Legislative Department, to the Associated Chambers of Commerce of India and Ceylon.

With reference to the Debates of the Legislative Assembly dated the 9th February, 1928, I am directed to forward herewith copy of the Interest Bill with Statement of Objects and Reasons by Maulvi Muhammad Yakub and to request that the Government of India in the Department may be favoured with the opinion of the Chambers on the provisions of the Bill by the 1st June, 1928.

Chamber of Commerce, Madras, 2nd April, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon
Calcutta

Sir,—I have to acknowledge your Circular letter, of the 6th ultimo, forwarding copy of communication from the Government of India, Legislative Department, together with a Bill to limit the interest charged on loans in British India.

The provisions of the above Bill were considered at the last Monthly General Meeting when it was resolved to advise you that the Madras Chamber, while approving the intentions of the Bill, in so far as it is calculated to protect the individual from the rapacity of the professional money-lender, is of opinion that the Bill as now worded appears to admit of too wide an interpretation and that under Clause 2 it might be possible for a debtor to evade payment of quite legitimate liabilities. The

Chamber considers that the Bill should be so amended as to define more clearly the objects and limitations of the provisions of the Bill and make it perfectly clear that it applies only to money-lenders and the extortion of unfair interest from a debtor.

I have, etc.,
H. WADDINGTON,
Secretary.

AMENDMENT OF PROVIDENT FUNDS ACT, 1925.

Government of India, Finance Department,
Simla, 4th October, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—I am directed to refer to the correspondence ending with letter, dated the 30th January, 1923, to the Bombay Chamber, a copy of which was forwarded with his endorsement and to forward copy of a letter now addressed to Local Governments and Administrations, and of its enclosures.

I have, etc.,
W. R. TENNANT,
Addl. Dy. Secy. to the Govt. of India.

[ENCLOSURE.]

Government of India, Finance Department,
Simla, 4th October, 1928.

TO ALL LOCAL GOVERNMENTS AND ADMINISTRATIONS,

SIR,—I am directed to refer to Mr. Rau's letter No. 204-F.E., dated the 30th January, 1923, to the Bombay Chamber of Commerce, a copy of which was sent to the Government of Madras. with his endorsement No. 205-F.E., of the same date, communicating the decision of the Government of India not to proceed with the proposal to extend the benefits of the Provident Funds Act to provident funds established by firms or companies.

2. The Associated Chambers of Commerce of India and Ceylon passed a Resolution at their 8th Annual General Meeting held at Cawnpore in December, 1926, recommending that the Provident Funds Act, 1925, should be amended so as to extend its provisions to properly constituted provident funds of firms, companies and associations. Sir Basil Blackett, then Finance Member of the Governor-General's Council, who was present at the discussions leading up to the adoption of the Resolution, promised to re-examine the matter. Consideration of the question was then resumed. At their next Annual General Meeting

held at Calcutta in December, 1927, the Associated Chambers reiterated their previous proposal.

3. The Government of India after careful reconsideration have formed the opinion that it would be justifiable to confer upon such private provident funds immunity from income-tax on the subscriptions of individuals and on the interest of securities held by the trustees of a fund provided that the provident funds are of such a nature that

(a) the regulations are approved by Government and the accounts are open to inspection by Income-tax authorities;

(b) the subscriptions of employees cannot be finally withdrawn from the Fund, except in the event of dismissal, retirement or death, or in compliance with a process of law;

(c) the employers' contributions are irrevocable save in the event of the misconduct of the employees;

(d) the employer is in no circumstances permitted to forfeit the employee's subscriptions; and

(e) the Funds are created as trusts. They are still not prepared to extend to such private provident funds the benefits of the Provident Funds Act.

4. The Government of India have also received suggestions that all the privileges conferred by the Provident Funds Act, 1925, should be extended to certain *quasi*-Government provident funds, for instance, the Indian Central Cotton Committee's Provident Fund and the United Provinces Court of Wards Provident Fund. I am to enquire whether the Government of Madras, consider that action in this direction is desirable and if so whether the Government of Madras would recommend (a) the grant of full privileges or (b) the grant of immunity from income-tax only. I am also to request that the *quasi*-Government institutions for which any concession is recommended may be specified. The Government of India are disposed to give the full concessions in the case of the provident fund of the Indian Central Cotton Committee.

5. The Government of India would be prepared to legislate so as to grant concessions on the lines indicated above. Before, however, undertaking legislation, they will be glad to be furnished with the opinion of the Government of Madras, on the matter, at an early date.

I have, etc.,

W. R. TENNANT,

Addl. Dy. Secy. to the Govt. of India.

THE INSOLVENCY ACT.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 11*th June*, 1928.

To all Members of the Association.

Sirs,—I am directed to refer to the above subject, and to inform the Chambers regarding the President's proposals for the next step. It will be remembered that, at the time when the question was discussed at the annual meeting of the Association in December, 1927, the position was that copies of the letters from the Chambers appended to Circular of 26th October, 1927, had not been forwarded officially to the Government of India. Mr. E. E. G. Eddis, then President of the Association, was inclined to think that, because of the difference of opinion among the Chambers on points of detail, it would not be possible to address a letter to Government as representing the views of the Association on these points; but he suggested that there would not be any objection to sending to Government copies of the letters from the Chambers to illustrate the general feeling in favour of improving the existing position.

2. The Hon'ble Sir George Godfrey considers that this suggestion should be acted on, and I am directed to attach draft of a letter which he proposes to submit to the Government of India along with copies of the letters received from the Chambers. Copies of these letters, with the exception of the letter, dated 8th February, 1928, from the Bombay Chamber, were in point of fact forwarded unofficially for the information of the Hon'ble Sir George Rainy, Member for Commerce, prior to the annual meeting in December, 1927: and in a letter received from the Government of India, Home Department, with reference to the discussion at that meeting, Government have stated that, as was explained by Sir George Rainy at the meeting, they would await a further communication from the Association before taking the matter into consideration. The President will be glad if the Chambers will be good enough to consider the draft letter which he proposes to send to Government and to let him know, as soon as may be convenient, if they approve of its terms The alternative to dealing with the matter in this way would appear to be to postpone further consideration of it until the occasion of the next annual general meeting of the Association, when it might be possible for representatives of the different Chambers to discuss round the table the points upon which opinion is divided and to come to some decision as to the line to be taken with regard to these.

I have, etc.,
D. K. Cunnison,
Secretary.

[ENCLOSURE.]

DRAFT LETTER

From the Associated Chambers of Commerce of India and Ceylon to the Government of India, Home Department.

I have the honour to invite a reference to your letters No. F. 68/27-Judicial, dated the 4th May, 1927, and No. F. 31/28-Judicial, dated the 24th February, 1928, on the subject of the suggested amendment of the Insolvency Acts; and I am now directed to address you in view of the explanation in the first of these letters that the Government of India would welcome the assistance of the Associated Chambers in making the Act—at that time the matter under discussion related to the Provincial Insolvency Act only—a more efficient instrument for the protection of creditors and the relief of honest debtors.

2. As it is some little time since the correspondence originated, it will perhaps be convenient to review briefly what has hitherto taken place. At the annual meeting of the Association in December, 1926, a resolution was, on the motion of the Upper India Chamber of Commerce, unanimously carried. The resolution expressed the view that the Provincial Insolvency Act of 1920 does not provide sufficient safeguards to the community against dishonest debtors, and recommended that opinions should be invited by the Government of India with a view to incorporating in an amending Bill such suggestions as might commend themselves as likely to afford further needed protection to creditors. In the course of the discussion on the resolution the Hon'ble Sir Charles Innes, then Member for Commerce, referred to the facts that the Civil Justice Committee on the whole commended the Provincial Insolvency Act, and that their principal recommendations for its amendment had since been given effect to in Acts Nos. IX and XXXIX of 1926. He indicated that in the circumstances the Government of India would be reluctant to open the question by asking local Governments if they had any complaint against the working of the Act. These remarks were referred to in your letter of 4th May, 1927, and it was suggested that the Association should first examine the different points made by Rai Bahadur Vikramajit Singh, who had proposed the resolution on behalf of the Upper India Chamber.

3. As requested, the Association has now examined the points which were made in the course of the discussion in December, 1926, and they have also had before them, in the course of their examination of this subject, certain more general considerations which are of importance in connection with all insolvency administration in India and which should, in their opinion, be dealt with in any revision of the insolvency legislation that may be undertaken. As was indicated in the further resolution on the subject adopted at the annual meeting of the Association in December, 1927, the opinions recorded by

the Chambers have shown conclusively the need for the amendment, not only of the Provincial Insolvency Act but also of the Presidency Towns Insolvency Act. The resolution accordingly recommended to Government that early steps should be taken in the direction of amending and unifying the law of insolvency, particularly with a view to improving the existing procedure regarding the appointment and control of Official Receivers or Assignees. At the time of this meeting the position was that the opinions recorded by the Chambers, and mentioned in the Resolution, had not been officially submitted to the Government of India, but a copy of these had been forwarded unofficially in order that the Hon'ble Member for Commerce, who was to attend the meeting, might be acquainted with the views expressed.

4. As it happened, the opinions varied a good deal with reference to some of the points made by Rai Bahadur Vikramajit Singh. That they should do so was not a matter for surprise, as the experience of the different Chambers in the working of the Acts in their respective areas naturally differed. But the fact that they did differ has perhaps tended to overshadow the more important fact that the views recorded by the Chambers do show most clearly that an enquiry by Government into the working of the present Insolvency Acts would not be, by any means, the vague enquiry apprehended. And because the Association feels that the opinions recorded by its members will be of interest, and—they hope—of assistance, to the Government of India, they are forwarding copies of these with this letter. The Association has decided to deal with the matter in this way and not to delay proceedings until the heads upon which opinion differ have been further discussed, because the point which they particularly wish to make is, as is stated above, that the letters fully confirm the desirability of a general enquiry into the working of the Acts.

5. The Association desires, however, to invite the special attention of the Government of India to the important matter, dealt with at some length by the Bombay and the Bengal Chambers, of the fundamental difference in the operation of the insolvency systems at Home and in India, particularly with reference to the provisions in the English legislation laying on the Official Receiver certain duties in relation to the conduct of the debtor which are not included in the Indian Acts. Under the home system the Official Receiver is chiefly concerned with the conduct of the bankrupt, the duties in connection with the bankrupt's property devolving on the Trustee in Bankruptcy. In India, the Official Assignee, under the Presidency Towns Insolvency Act, and the Official Receiver, under the Provincial Insolvency Act, correspond to the Trustee in Bankruptcy in the English system, but the Indian Acts do not provide an official corresponding to the Home Official Receiver and the Chambers

are of the opinion that the amendment of the Indian Acts should be undertaken to remedy the defect and to provide a public authority whose duty it will be to investigate, and to supervise, the conduct of the insolvent and to bring him to book in the event of his misconduct. It is not necessary to deal with the point at length because it is fully explained in the letters of the Bombay and the Bengal Chambers; and the Chambers unanimously agree that this point in itself, apart from any other consideration, justifies the Government of India in undertaking the amendment of the Acts.

Chamber of Commerce, Madras, 18th June, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon, *Calcutta.*

Sir,—With reference to your letter of the 11th June, 1928, I am directed to inform you that the Madras Chamber approves of the draft letter to the Government of India, Home Department, in regard to Insolvency Acts.

I have, etc.,
O. P. Chetty,
Asst. Secretary.

The Associated Chambers of Commerce of India and Ceylon, Calcutta, 13th August, 1928.

To all Members of the Association.

Sirs,—With reference to circular dated the 11th June, 1928, I am now directed to inform you that the Chambers generally approve of the President's proposal that a letter should be addressed to the Government of India, Home Department, in terms of the draft letter. The letter has accordingly been submitted to Government on the 13th August, 1928.

2. In the above circular, the Hon'ble Sir George Godfrey referred to a possible alternative of considering the question further on the occasion of the next annual general meeting of the Association, when, he said, "it might be possible for representatives of the different Chambers to discuss round the table the points upon which opinion is divided and to come to some decision as to the line to be taken with regard to these." In their replies several of the Chambers, while approving of the despatch of the letter to the Government of India, suggest that the subject might suitably be discussed at the annual general meeting, but one Chamber expresses doubt as to the expediency of this course in view of the possible difficulty of reconciling, at this stage, differing opinions on individual points. Sir George Godfrey will be glad if Chambers will be good enough to consider this matter, and any Chamber desirous of bringing the

question up at the annual meeting will no doubt give notice to this effect in due course.

I have, etc.,
D. K. CUNNISON,
Secretary.

Chamber of Commerce, Madras, 26*th September*, 1928.

TO MESSRS. KING & PARTRIDGE,
Madras.

SIRS,—I am directed to forward you the file in regard to proposals made to amend the Provincial Insolvency Act.

I shall be glad if you will favour the Chamber with your report on the views herein expressed in relation to the working of the Act in the Madras Presidency, at an as early date as possible, as it is expected that the matter will come up for discussion at the next Annual Meeting of the Associated Chamber at Calcutta.

I have, etc.,
O. P. CHETTY,
Asst. Secretary.

Madras, 25*th October*, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—We have been through the file forwarded by you in regard to proposals made to amend the Provincial Insolvency Act. The main proposals appear to be those made by Rai Bahadur Vikramajit Singh at the Annual General Meeting of the Associated Chambers of Commerce held in Cawnpore on the 6th and 7th December, 1926. The object of Mr. Vikramajit Singh in making these proposals is certainly well-intentioned, namely, to afford further protection to creditors and to punish dishonest debtors. But we are afraid that most of the proposals made by him would unnecessarily harrass the debtors, irrespectively of the question whether they are honest or dishonest debtors, without at the same time bringing any corresponding benefit to the creditors. Such a thing will offend against the fundamental principles underlying all insolvency legislation which is that no unnecessary hardship should be inflicted on the debtor when he has been stripped of all his assets for the benefit of the creditors. It is true that in protecting the debtor, care must be taken that the protection is extended only to the innocent and deserving and not to the fraudulent or dishonest debtor. But it is often difficult to discriminate between the honest and the dishonest debtors by legislation, and it must be left to the Courts to administer the provisions of the Act in conformity with the policy of Insolvency Law. The proposals made by Mr. Vikramajit Singh may be considered *seriatim*.

Section 21 :—This section gives power to the Court before passing an order of adjudication—

(1) to order the debtor to give reasonable security for his appearance in default of which he is to be detained in the Civil prison, or

(2) to order the attachment by actual seizure of the whole or any part of his property, or

(3) to order the issue of a warrant for his arrest; the last two orders not to be made unless the conditions laid down in the proviso to the section are complied with.

Mr. Vikramajit proposes that the word "may" in the section should be changed into "shall" so that it may be obligatory on the Court to make one of the orders. We agree with the view of the Bombay Chamber of Commerce that this amendment may easily become a source of hardship to the debtor without bringing any substantial benefit to the creditors. If the petition is by a creditor, it is highly unjust that the debtor should be asked to give security for his appearance or that his property should be seized or that he should be arrested before he is afforded an opportunity of answering the allegations made against him and it may eventually turn out that no order of adjudication will be made against him ultimately. If the petition is by the debtor himself, he is certain to appear until final orders are made on his petition, as otherwise he will not get the benefit which he seeks to have of the Insolvency Law. Therefore, it seems to us that in the case of a petition by the creditor, it may be a source of harrassment to the debtor, while in the case of a petition by the debtor it is not required. The word "shall" is unnecessary in the case of orders 2 and 3 as they cannot be passed unless the conditions mentioned in the proviso exist in which case the Courts may be trusted to pass the necessary orders.

Section 23 :—Mr. Vikramajit Singh proposes the repeal of this Section. Under this section the Court is given a discretionary power at the time of admitting the petition or subsequently thereto before adjudication to release a debtor under arrest or imprisonment in execution of a decree on such terms as to security as may be reasonable and necessary. The court is also given power to rearrest or recommit the debtor to the custody from which he was released. It seems to us that the section affords sufficient safeguards to protect the interests of the creditors and to avoid an undue advantage being taken of it by a dishonest debtor, in that in proper cases the court may be trusted not to release the debtor at all or only on giving reasonable security. The proposed repeal of the section and the

consequent taking away of the power of the court to release the debtor in proper cases would not it seems to us bring any particular advantage to the creditors, while it will cause unnecessary hardship to the innocent debtor. We are, therefore, against the proposal to repeal the section.

Sections 24 and 25:—These two sections *inter alia* lay down that on proof by a debtor that he is entitled to present the petition, he is entitled to an order of adjudication. Mr. Vikramajit Singh proposes that a duty should be imposed on the debtor to prove that he has been honest in his dealings, that he has not been extravagant in his expenditure or rash and negligent in his transactions and that he has not concealed any property. If he fails to satisfy the court on these points his petition should be dismissed.

It seems to us that this suggestion is unworkable in practice and is unnecessary and undesirable. What the debtor is required to prove under this suggestion is things which are vague and for which there are no definite standards, and it is not easy to lay down the nature of the amount of evidence that may be required to prove them. If it is only a statement in an affidavit that the debtor has been honest, etc., that is required, there is no meaning in it and it does not carry things to any extent more than at present. Moreover, is it only when the debtor himself presents the petition that this additional proof is required? What is the position when a creditor presents the petition? If it is the intention that no such proof is required in the latter case, a debtor can easily get a friendly creditor to present a petition and so be able to evade the statute. If, however, it is also intended that even in the case of a creditor's petition such additional proof is required, the result will be that a debtor who has not proved that he has not been rash or negligent in his dealings will never be entitled to the benefit of the insolvency law with the consequence that his assets, instead of being made available for equal distribution among all his creditors, will be left to be scrambled for among the creditors which is one of the main objects of insolvency law to prevent. Such a state of things is not desirable in the interests of the creditors themselves. What is required is not a total denial of the benefit of insolvency law to the dishonest debtor, but that he should be punished, and there are ample provisions in the Act as it stands to achieve that end in view. As the Privy Council observed in a certain case the stage at which to visit with its due consequences any misconduct of a debtor is when his application for discharge comes before the court and not on the initial proceeding.

Section 31.—The proposal in respect of this section is that the court should not grant protection to an insolvent unless his assets are sufficient to meet at least 50 per cent. of his liabilities. We agree with the views expressed by the Burma and

Bombay Chambers of Commerce on this point and are of opinion that the proposal should not be supported. The court has power under the section as it stands to refuse protection in proper cases. To require that it should refuse protection on the ground solely of the smallness of the insolvent's assets is a thing unheard of in insolvency legislation and offends against every principle of insolvency law. As pointed out by the Bombay Chamber of Commerce, the amendment has also objections from a practical point of view, in that a dishonest debtor might overestimate his assets and obtain protection while an honest debtor might remain under arrest.

Section 33 *and* 34.—These sections deal with proof of debts by creditors and *inter alia* require that the creditors should tender proof of their respective debts by producing evidence of the amount and particulars thereof. It is suggested that when a debt is admitted by the debtor, no further proof should be required from the creditor, unless any other creditor objects to it. The present practice of requiring proof in all cases, whether the debt is admitted by the debtor or not, has now worked for a long time and is not known to have caused any inconvenience or trouble to creditors and is salutary in principle. The suggested alteration is not necessary and may easily enable a dishonest debtor to help a collusive creditor to the detriment of other and *bona fide* creditors.

Section 38.—This section deals with compositions and schemes of arrangement. Mr. Vikramajit makes the suggestion that no scheme of composition should be sanctioned by the court unless it provides for the payment of at least 8 annas in the rupee. As, before the court sanctions the scheme, it has to be adopted and approved by the majority of the creditors, there is no reason why a limit should be placed on the court's discretion if the creditors accept a scheme. There is no substance in the suggestion as it is open to the creditors not to accept a scheme which does not provide for a payment of at least 8 annas in the rupee without any assistance from the legislature.

Section 69.—This section deals with punishment of offences by debtors and prescribes one year as the maximum period of imprisonment which the court may award on conviction. Mr. Vikramajit suggests that imprisonment under this section should be capable of extension to two years and may be of either description and that in the event of a successful prosecution a creditor should be allowed costs, presumably out of the estate. There appears to be no objection to these suggestions being given effect to.

Section 20.—Mr. Vikramajit's suggestion under this section requiring the Official Receiver to forthwith make a complete inventory of the properties taken over and file the same with

the insolvency court may be helpful to the creditors and should be supported.

Sections 56 *and* 57.—These sections deal with the appointment and duties of the Official Receiver. Mr. Vikramajit's suggestions in this connection will make the Receiver more diligent and systematic in doing his duties and ought to bring advantage to the creditors. They may, therefore, be supported.

Mr. Vikramajit further suggests that no lawyer in active practice should be appointed an Official Receiver and preferably a person possessing the qualifications of a first-class accountant should be appointed. At present there is no rule that a practising lawyer should be appointed Official Receiver, and the Local Government has power to appoint such persons as it thinks fit. There is no reason why this discretion of the Local Government should be fettered as proposed.

Section 59.—Mr. Vikramajit Singh suggests that the Receiver should not be permitted to carry on the business of the insolvent without the consent of the creditors except for two months. Under the section as it stands, the Official Receiver can only carry on the business with the sanction of the court, and as the period for which a business should be carried on for its beneficial winding up has to be determined in each case in regard to its particular facts, we think that it is better to leave the section as it is under which it is open to the creditors to place their views before the court which will certainly give them their due weight.

Section 68.—This section deals with appeal to court against any act or decision of the Receiver. Mr. Vikramajit Singh suggests that the Receiver should be required to put his act or decision always in writing with full reasons for the same and that a copy thereof should be supplied to any person aggrieved by such act or decision on his applying for it. The suggestion is a salutary one and may be supported.

The Bengal and Bombay Chambers of Commerce have made a further proposal in connection with the duties of the Official Receiver; and the punishment of offences by the insolvent under Section 69. They suggest that provisions should be introduced into the Act imposing on the Receiver the definite duty of taking the initiative in case of misconduct of the insolvent. These suggestions are helpful and may be supported. As the Act at present stands there does not appear to be any definite duty imposed on the Receiver to investigate the conduct of the insolvent and to move the court with a view to prosecute him, in case he is found to have committed any of the offences mentioned in 69. Naturally creditors are not inclined to take the initiative inthe matter, they being more anxious to receive a

dividend than prosecute the insolvent and spend the assets in prosecution. It is, therefore, desirable and necessary that the Receiver should have the duty imposed on him of taking the initiative in the matter.

We have, etc.,
KING & PARTRIDGE.

Chamber of Commerce, Madras, 28th November, 1928.

TO THE SECRETARY, ASSOCIATED CHAMBERS OF COMMERCE OF INDIA AND CEYLON,
Calcutta.

SIR,—With reference to the correspondence ending with your letter dated 13th August, 1928, I am directed to inform you that, of the twelve points mentioned by Rai Bahadur Vikramajit Singh at the Annual Meeting of the Association held in 1926, the Madras Chamber is not in favour of the suggestions regarding Sections 21, 23, 24 and 25, 31, 33 and 34, 38 qualifications of receivers, and Section 59.

As this appears to be the concensus of opinion of the majority of the other Chambers, the Madras Chamber does not consider it necessary to discuss the question at the coming Annual Meeting.

I have, etc.,
C. H. BROCK,
Secretary.

WHITE OIL.

The Associated Chambers of Commerce of India and Ceylon, Calcutta, 19th July, 1928.

TO ALL MEMBERS OF THE ASSOCIATION,

SIRS,—I am directed by the President to invite an expression of the opinion of the Chambers on the points raised in the subjoined copies of a letter and of its enclosure from the Burma Chamber of Commerce on the above subject.

I have, etc.,
D. K. CUNNISON,
Secretary.

[ENCLOSURES.]

Letter dated Rangoon, July 12th, 1928, from the Burma Chamber of Commerce.

I am directed to send you the attached copy of a letter from this Chamber to the Director of Public Health, Burma, suggesting that the importation of White Oil should be prohibited except under license and for specific purposes.

As this oil is probably used in other parts of India for the the purpose of adulterating edible vegetable oils, it is suggested that you should communicate with the other Chambers, with a view to concerted action to have its importation prohibited all over India.

Letter, dated Rangoon, June 20th, 1928, from the Burma Chamber of Commerce to the Director, Public Health Department. Government of Burma, Rangoon.

The attention of this Chamber has been drawn to the magnitude of the yearly importations of White Oil into Burma and as it appears that the bulk of the oil is used for the purpose of adulterating edible vegetable oils and ghee, I am directed to approach you and to suggest that the importation of this oil into Burma should be prohibited except for specific purposes and under license.

2. During the official year 1927-28, White Oil from Germany was exported to the extent of some 285,000 gallons, the figures for 1926-27 being 130,000 gallons, and for 1925-26 estimated at 400,000 gallons. These figures have been supplied to this office by the Collector of Customs, who has also supplied a list of importers of White Oil, the majority of whom are well known as regular dealers in edible vegetable oils.

3. White oil is also imported from America, but the bulk of this American oil, which is more highly priced than that from Germany, is used in the preparation of hair oils and other toilet requisites. Although it is no doubt used to adulterate coconut oil for toilet purposes, this Chamber does not propose that its importation should be prohibited on that account as it is understood that the mixture of coconut and white oil is not harmful to the public health.

4. With regard to the German oil, however, matters are different. White Oil is simply tasteless kerosine oil, and its use for the purpose of adulterating edible oils and ghee can only lead to a serious diminution in their nourishing qualities, particularly in regard to vitamin content. You will, this Chamber feels assured, agree that such adulteration is in the highest degree undesirable from the point of view of the public health, apart from the ethical question of fraud which arises.

5. This Chamber accordingly desires to recommend to Government that the importation of White Oil into Burma should be prohibited, except under license, and for such specified purposes as involve no danger to the public health, for example, the preparation of toilet requisites and medicines.

Chamber of Commerce, Madras, 2nd August, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon
Calcutta.

Sir,—I have to acknowledge your letter of the 19th July, 1928, and to state that this Chamber supports the proposal of the Burma Chamber that the importation of White Oil should be prohibited except under license and for specific purposes.

I have, etc.,
C. H. Brock,
Secretary.

MATCH INDUSTRY

Tariff Board, Bombay, 5th December, 1927.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—I am directed to forward for the information of your Chamber a copy of the remarks made by Sir Padamji P. Ginwala, President of the Indian Tariff Board, in resuming the enquiry into the Match Manufacturing Industry in India.

2. The Board is anxious to obtain as full and complete an expression of commercial opinion as is possible, on the problems which are now engaging its attention. From the President's remarks it will be observed that there are certain aspects of the enquiry which have not yet been brought specifically to the notice of your Chamber. Further, certain of the proposals which have been received involve considerations of general policy on which it is desirable that your Chamber should have an opportunity of expressing an opinion, while the future organization of an industry engaged in the manufacture of a commodity in such common use as matches is a matter of considerable general interest.

3. An important aspect of the case which has been pressed on the notice of the Board concerns the activities of the Swedish Trust. As your Chamber is aware, this Trust has in recent years obtained a dominating interest in the match trade of almost every country and its policy is avowedly aimed at securing a controlling interest in the match trade of the world. In pursuance of this policy, it is alleged, the Trust aims at securing a dominating position in India, partly by eliminating the smaller Indian concerns by means of unfair competition, partly by working arrangements with the larger Indian factories should this appear to be the most feasible course. Having acquired that control, it

is alleged that the Trust will raise prices in India, thereby exploiting the country for the benefit of foreigners. The remedy which has been most commonly proposed is the imposition of a special excise duty on matches manufactured by firms or companies financed by foreign capital.

4. The case as it has been presented to the Board combines two points of view. First, objection is taken to the employment of foreign capital in Indian industries and the demand is advanced that such enterprises should be specially taxed. The question has already been considered by the External Capital Committee appointed by the Government of India in 1925 and it is unnecessary to deal at length with the matter here. It is sufficient to point out that considerable difficulty must be anticipated in determining whether a firm is or is not financed by foreign capital and that the possibility of evasion of any such form of taxation is a serious consideration which must not be overlooked. The other aspect of the case concerns the possibility of the establishment of a monopoly. It is urged that it is undesirable in the interests of the country to allow the smaller industrialists to be crushed, thereby enabling a single firm or group of firms to fix prices considerably in excess of the cost of production. The objection applies equally to a monopoly whether engineered by an Indian or foreign firm but an excise duty on foreign capital is proposed as *ad hoc* measure, since the danger of monopoly at present threatens from a foreign firm. It is, however, by no means clear that this proposal would be effective. Apart from the fact that no data have been put forward on which it would be possible to estimate the amount of excise duty sufficient to prevent unfair competition, it appears not impossible that the measure may precipitate the crisis which it is designed to prevent. The Swedish Trust has at its command exceedingly large capital resources and faced with the prospect of closing its factories in India as a result of the excise duty, it may resolve on the one hand to initiate a price war regardless of cost or, on the other hand, to buy out the larger factories in this country. In either event, it might be argued that a corporation of this size would have no great difficulty in effecting a practical monopoly, when the special excise could be passed on to the consumer. Another possibility which must not be overlooked is that the Swedish Trust would comply with all the requirements of the law regarding Indian capital and would thus not be liable to the special excise duty. Practical control of the policy might still remain in Swedish hands and the danger of monopoly would remain.

5 The risk of the country being exploited by a single firm or combination of firms of match manufacturers could, however, be met by the establishment of a regulated monopoly. It is in this direction that European countries have generally sought for a solution of the problem created by the Swedish Match Trust,

There are several methods by which in existing circumstances this effect could be attained. The first and perhaps the most obvious method is by establishing a monopoly both in manufacture and sale. The Swedish Trust controls the largest and best equipped group of factories in the country and with its long experience of manufacture, it is indisputable that it could produce a standard article of good quality at a low price. From a purely financial point of view it might be considered a good proposition to hand over the monopoly both of manufacture and of sale of matches in India to this Trust on payment of an annual sum to Government. Conditions might be made regarding the employment of Indians, the issue of Rupee capital, the quality of the goods and the price at which they were to be sold. A system of this kind is in force in Greece and Poland, where the Swedish Trust holds a monopoly. This, however, would mean that match manufacture would cease to be a national industry and on grounds of sentiment alone such a proposal affords no practical solution of the problem. A second method of securing control is by the establishment of a Government monopoly both of manufacture and of sale. This is essentially the system which is at present in force in France. There are, however, well-known objections to State manufacture and it is generally accepted that Government is normally not in a position to manufacture either so well or so cheaply as a private firm or a company.

6. Another means of preventing exploitation is by establishing a monopoly in sale, manufacture being carried on by private agency but the production regulated by requiring that the manufacture of matches should be under licence. The establishment of new factories or extension of existing factories would then be controlled. Sale could be entrusted either to a separate organization or retained in the hands of Government itself. In the former case it would be necessary to form a separate sales syndicate, to which the monopoly would be entrusted. A system of this nature is in force in Germany, where a sales organization has been formed, the capital being contributed by the match manufacturers who also form the directorate of the corporation. Definite quotas of production are fixed for each manufacturer and all sales are effected by the sales organization. Government, however, retains the right of controlling the price at which the sales syndicate sells, should this appear excessive. Factories are licensed by Government and an increase in the production of matches either by the construction of new factories or extension of existing ones can thereby be prevented. At the present time the number of match factories in India is large and their size varies from the large up-to-date factory employing the latest machinery to the small factory where all processes are carried out by hand. There is, therefore, great difficulty in securing any effective organization of manufacturers and the introduction of the German system in its entirety would be by no

means easy. At the same time some development of this method of control may appear feasible. It might be possible to organize a sales corporation comprising interests independent of match manufacturers. In that event it would be necessary to fix the price at which such a corporation purchased its supplies, the price at which it disposed of them, and the proportion in which purchase was to be effected from each factory. The opinion of your Chamber is requested as to whether any such corporation could be formed and, if so, whether an arrangement on these lines would prove satisfactory.

7. There remains the system of Government monopoly of sales. Restriction of manufacture by means of licensing will still be necessary since Government could not undertake to purchase matches to an unlimited extent. It would also be necessary to fix the price at which Government would purchase from manufacturers. As regards selling arrangements, various methods are possible. Government wholesale depots might be established in the larger centres. But this would involve the organization of a new department on a somewhat extensive scale and might well be objected to on the ground of expense. Financial control however might be secured on much the same lines as obtains in the excise department for the sale of country liquor in some provinces. Purchasers might be required to pay into the Treasury both the cost price and the excise duty on matches. On production of the Treasury voucher by the purchaser the manufacturer would then supply the required quantity of matches and would obtain payment from the Treasury on presentation of the voucher. This method, however, might be considered cumbrous and unsuited to the requirements of the trade.

8. If a monopoly in sales is considered desirable, the most satisfactory arrangement would appear to be to entrust it to an independent sales corporation. Till, however, the organization of such a corporation becomes feasible or if it is found impossible, Government may administer the monopoly through its own agency with the assistance of a committee representing manufacturers, traders and general commercial interests. The function of such a committee *inter alia* might be to advise from time to time as to the price, quality, amount and distribution of output among the various factories. The import of matches might be undertaken by the Government acting with the advice of the Committee referred to above or might be controlled by a system of licence.

9. Any such system of monopoly presupposes that the factories undertaking manufacture are well equipped and of reasonable size and it would follow therefore that the smaller factories would disappear. The opinion of your Chamber is requested as to how far such a result is desirable. I am to point out that the concentration of match manufacture in a few

factories organized on a large scale would probably result in a substantial reduction in the cost of production. Further, a sales organization acting through a single agency would reduce the cost of distribution and the absence of competition would render unnecessary the very large number of different labels at present in use. With the kinds of labels reduced to a minimum, a still further reduction in costs could be effected while the elimination of competition would also result in the reduction of the profits of the middleman, which the Board has been informed are excessive. Further, mass production in well equipped factories may reasonably be expected to raise the quality of Indian matches while with a standardized product the prejudice against Indian matches, based mainly on the output of the smallest factories established in unsuitable localities, is likely to disappear rapidly. I am also to point out that at present there exists a very real danger of over-production, specially in particular localities. The growth of the Match industry around Bombay renders it increasingly difficult to secure a market for the goods produced. Competition is therefore intense and there has been a very rapid fall in price. A system of control on these lines will tend to prevent over-production and wasteful competition and to ensure a reasonable standard of quality. It will also secure a fair profit to the manufacturer and generally help to stabilise prices and at the same time safeguard the Government revenues. It will further have the advantage of maintaining a substantial share of the production in the hands of Indian manufacturers. I am now to request that your Chamber will favour the Board with its views on the various matters dealt with in the enclosure and in particular as to how far it considers a system of Government monopoly in matches is desirable both in the interest of the industry and of the country in general. If it considers such a system desirable, I am to enquire which of the methods outlined in this letter it would consider would secure the best results. The Board would esteem it a favour if your reply could be submitted at a very early date. I am to express regret that it has not been possible to consult the Chamber on these points before, but many of the considerations and suggestions which form the subject of this letter, could not be stated as definite issues until the examination of witnesses had reached an advanced stage.

10. In conclusion, I am to explain that the Board has arrived at no conclusion as regards the various matters which form the subject of this letter and that any views which have been expressed must be regarded as illustrative only.

I have, etc.,

C. B. B. Clee,

Secretary.

Chamber of Commerce, Madras, 15th February, 1928.

To the Secretary, Tariff Board,

Bombay.

Sir,—The Madras Chamber of Commerce has considered your Circular letter, dated 5th December, 1927, and I am instructed to reply as follows:—

1. Generally speaking this Chamber is strongly opposed to any kind of Government interference with private enterprise in Trade or Industry (save of course the collecting of the necessary revenue) and it finds itself in hearty accord with a resolution just received from the Burma Chamber of Commerce reading,—

> "The Chamber is strongly against Government interference in any shape or form until it can be proved that the so-called Swedish monopoly charges extortionate prices for matches to the public".

2. Another principle guiding the Chamber in its deliberations is the question as to whether all the materials for the manufacturing of matches are easily obtainable in India or not. If the bulk of such materials has to be imported it is obvious that India is not naturally equipped for this industry and it should not be bolstered up.

3. Though it might be said that para 1 above expresses the Chamber's reply to all the "illustrative views" in your long communication (vide para 10 thereof) the Chamber would like, very briefly, to make some observations on sundry paras of your letter.

4. *Para* 2. There are very many other industries besides matches to which such a general dictum could apply, and the point need not be laboured that if the principle of Government interference is accepted in one, it cannot be withheld in others.

5. *Para* 3. The experience of members of this Chamber is that the Indian made matches of the Swedish Company are always higher in price than other Indian factories.

6. *Para* 4. To penalise so called "Foreign Capital" would be detrimental to India's interests and retard her progress is the considered opinion of this Chamber.

To impose an excise duty on *some* factories, and not on *all* is merely to raise prices to the consumer, and not to increase Government's revenues, which latter point is really one of the vital issues of this whole question.

7. *Para* 5. The Chamber thinks you exaggerate "the risk of the country being exploited by a single firm or combination of firms of Match manufacturers" and is strongly opposed as mentioned at the outset, to any system of monopoly, either of manufacture or of sale.

The Chamber would like to call attention to your remark at top of page 4 with reference to a "National Industry" and to point out that until import duty was raised to Rs. 1-8 per gross, there were no Indian Factories, and no Match Industry practically speaking, let alone a "national industry". Moreover the Chamber questions if it ever can become a "national industry" for the reasons mentioned in para 2 above.

8. *Paras* 6, 7, 8. Being opposed, on general principles to Government interference, the Chamber sees no advantage in discussing your many suggestions as to monopoly of manufacture or of sale, manufacture under licence, control of factories, sales corporations, establishment of committees, etc. No such arrangements would in the Chamber's opinion prove satisfactory.

In fact the Chamber believes that most of them may be dismissed in the closing words of para 7 of your Circular letter under reply, viz., "This method, however, might be considered cumbrous and unsuited to the requirements of the trade".

9. *Para* 9. The opinion of the Chamber is specifically requested upon the inevitable disappearance of the smaller factories under any system of monopoly and how far such a result is desirable.

If the Chamber were advocating any system of Monopoly, Control of Licensing (under which small and inefficient plants would inevitably disappear) it would say such an end was desirable, because of the difficulty in controlling a multitude of small and inefficient plants, but as the Chamber is against Government interference in private enterprise, it has to say such a result is not desirable.

Small factories should be left to themselves and to the competition of the trade. Similarly, the minor question of "the very large number of different labels at present in use" is not a problem that should exercise the mind of Government. Nor, in the opinion of this Chamber, should the Tariff Board or Government, worry about over-production and wasteful competition and seek to devise means of securing "a fair profit to the manufacturer".

The Chamber respectfully submits that such points do not come within the province of Government. They should be left to the market law of supply and demand and to the trade concerned.

10. The safeguarding of Government revenue seems almost to have been lost sight of in the suggestions embodied in the long communication under reference.

In fact most of them, as in para 7, could be objected to on the ground that "this would involve the organisation of a new department on a somewhat extensive scale and might well be objected to on the ground of expense".

11. In conclusion I am to reiterate the views expressed in para 1 above and to impress upon the Tariff Board that this Chamber considers any system of Government monopoly altogether undesirable "both in the interest of the industry and of the country in general".

I have, etc.,
O. P. Chetty,
Asst. Secretary.

SALE OF TEA UNFIT FOR HUMAN CONSUMPTION.

Calcutta, 20th January 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—As you are aware, I represent your Chamber on the Executive Committee of the Indian Tea Cess, and I therefore feel it is incumbent on me to address you on a subject which has been brought before us recently.

In our endeavours to increase the sale of Tea in India, one of the greatest difficulties we have encountered has been the enormous amount of rubbishy and imitation tea, quite unfit for human consumption, which has been largely used in past years. We have gradually in Northern India been getting the supplies of this stuff cut off with correspondingly good results in the consumption of genuine sound tea. Recently, however, we have found that in Southern India imitation tea is being manufactured in such large quantities that some steps should be taken to deal with it. Our Commissioner, Mr. Harper, has been writing to the Director of Public Health in Madras on the subject, but with no result so far—in fact, some of his letters have not even been acknowledged, and I would therefore be glad if you will place the matter before your Committee, and we would be grateful if they will take the question up strongly in whatever manner they consider expedient and force the Director of Public Health to take action.

I am enclosing herewith a letter which I have received from Mr. Harper outlining the whole position, and you will see from the various letters attached that the manufacture of this imitation tea has reached serious proportions and should be immediately dealt with.

Thanking you in anticipation for your attention to this matter.

I have, etc.,
CARL REID.

Indian Tea Cess Committee, Calcutta, 19th January, 1928.

TO CARL REID, ESQ.,

c/o MESSRS. HARRISONS & CROSSFIELD, LTD.,

Calcutta.

SIR,—I beg to call your attention to the position with regard to above in the Madras Presidency, and to review briefly what action has been taken in connection therewith, in case you—as the member of the Tea Cess Committee elected by the Madras Chamber of Commerce—may decide to place details before that body, with a view to having representations made by them to the Local Government to ensure that suitable action is taken to prevent the sale of inferior quality teas and imitation teas. As a result of my recent enquiries in Bombay, it would appear that the manufacture of such teas in Southern India has reached such proportions that immediate action, on the part of the Health Authorities, is necessary to deal suitably with this matter.

On the 12th September, 1923, I forwarded to the Director of Public Health, Government of Madras, a copy of the notifications issued by the Bengal Public Health Department regarding tea under the Bengal Food Adulteration Act, with the suggestion that similar provisions were desirable in the Madras Presidency. In reply to this I was advised that there was no possibility of giving immediate effect to my suggestion, as the Madras Prevention of Adulteration Act had not been brought into force in that presidency.

In the *Planters' Chronicle* dated 25th October, 1924, I noticed that one of the resolutions of the United Planters' Association of Southern India at their Annual General Meeting was:

"That the Government of Madras be asked to amend the Madras Prevention of Adulteration Act so that its provisions may be made applicable to tea."

In the *Fort St. George Gazette*, dated 7th September, 1926, appeared a Bill to amend the Madras Prevention of Adulteration Act, 1918; a note on clause 4 (i) reads:—

> "The existing Act does not enable the Government to fix standards of purity for tea. It is considered necessary to fix such standards in order to prevent the sale of tea, which is unfit for human consumption."

On the 20th December, 1926, I addressed the Director of Public Health, Madras, regarding a sample of 'Nector' Tea, which was sent to me by the Amber Tips Tea Co., Ltd., of Bombay, and I sent copies of letters and a copy of a report by Messrs. R. V. Briggs & Co. (Analytical Chemists of Calcutta), on same, in which—apart from the sample not complying with the standard as prescribed by the Government of Bengal—they expressed the opinion :—

> "The sample is, in our opinion, heavily adulterated with some foreign material that has been charred and has the appearance of groundnut husks."

I received no reply to this communication.

Again on the 8th September, 1927, I addressed the Director of Public Health, Madras, regarding the sale of imitation teas by Messrs. Palani & Co., of Virudhunagar, in his reply, dated 15th September, 1927, I was advised that the matter was receiving attention, but up-to-date I have received no advice of what action was taken in this connection, although on the 12th November last I sent a reminder, which has not been acknowledged.

To illustrate the urgent necessity for attention to be given to this matter, I enclose a copy of a letter dated 23-12-1927 I addressed to the Health Officer, Bombay Corporation, and the enclosures referred to, from which it will be seen that the complainants from Bombay estimate that the quantity of imitation tea reaching that city amounts to three to four million pounds per annum. In the course of my interviews with some of the leading distributing tea firms in Bombay this expression of opinion was confirmed by them.

May I express the hope that you will be good enough to suggest to the Madras Chamber of Commerce that this matter might be taken up by them with the Health Authorities.

I have, etc.,
JOHN HARPER,
Commissioner for India,

Chamber of Commerce, Madras, 25th February, 1928.

TO THE DIRECTOR OF PUBLIC HEALTH,
Madras.

SIR,—Mr. Carl Reid, the Chamber's representative on the Indian Tea Cess Committee, has addressed the Chamber on the subject of the enormous amount of imitation teas at present being manufactured in Southern India, the volume of which has steadily grown during the past few years, and asks that the matter should be taken up with you, in order to ascertain if action cannot be undertaken to put a stop to the manufacture and sale of this false tea which is quite unfit for human consumption.

From the papers received with Mr. Reid's letter it appears that the main source of the imitation tea in question is Virudhunagar in the Ramnad District and that some four million pounds per annum of the trash is being exported from there to Bombay.

The Chamber has information that this rubbish product, finally marketed as tea, is being manufactured from the leaf of the Agathi plant—Sesbanian grandeflora (the common standard used for support of the betel vine) and the husk of black gram.

It is further informed that Mr. Harper, the Commissioner for India of the Indian Tea Cess Committee, has already approached you in the matter and will be glad to have your advice as to what steps you consider might be taken to put a stop to this evil.

I have, etc.,
H. WADDINGTON,
Secretary.

THE EXPRESSION OF OPINION UPON LEGISLATIVE MEASURES.

Associated Chambers of Commerce of India and Ceylon, Calcutta, 21st *June,* 1928.

TO ALL MEMBERS OF THE ASSOCIATION.

SIRS,—Members of the Association will have observed that of late it has been a practice of the Government of India in the Legislative Department to forward to the Association copies of Bills before the legislature with a view to obtaining the opinion of the Chambers on the provisions of the Bills; there is attached to this circular a schedule giving particulars of twelve such measures. In each case the President has issued copies of the papers to all the Chambers in the Association, and he has received a considerable number of replies regarding the different Bills. In many of the cases the replies received are copies of letters submitted by the Chambers to their own Local Governments.

2. Although, as stated, the President has issued the papers to the Chambers for the purpose of ascertaining their views, he has himself felt very doubtful whether the procedure was quite suitable in the case of an Association with a constitution such as that of the Associated Chambers. It has not been the practice in the past for the Government of India to ascertain commercial opinion on legislative measures by referring these to this Association. The usual practice has rather been to have the measures referred to individual Chambers through their own Local Governments, the Chambers then expressing their views to their Local Governments. It seems to the President that, from the point of view of the Chambers, this latter is the more convenient procedure, for each Chamber is able to consider the measure and, in consultation with its Committee and members, to express its opinion. The constitution of the Associated Chambers does not adapt itself very easily to this particular work. There are sixteen Chambers in India in the Association, ranging from Lahore in the north to Tuticorin in the south, and from Rangoon in the east to Bombay and Karachi in the west. The Association has no Committee, and for the current year the President of the Association is in Calcutta, with the two Deputy Presidents at Bombay and Madras. It follows that, except on the occasion of the annual meeting of the Association, the only way in which the opinion of its members can be ascertained is to circularise the different Chambers as is the usual practice, and as has been done in the case of the Bills referred to in the schedule.

3. If the President issues a circular to the Chambers asking an expression of opinion on a single question—whether they favour course A or course B—and one Chamber favours A while all the others state that they favour course B, the President may fairly enough say that the general opinion of the Association favours the adoption of course B. But where the measure is one of detail and a number of points are involved, it may very naturally happen that different Chambers hold different views so that it becomes a matter of great difficulty for the President to reply on behalf of the Association. Taking, for example, the case of the Indian Merchandise Marks Bill, the first Bill in the attached list, the position as shown in the replies received by the President is that thirteen Chambers have replied. Of these, four are in favour of the whole Bill, three are against it entirely, three are in favour of it so far as it relates to the marking of goods on importation, two have no views to express and one, while sympathising with the objects in view, considers the Bill unsuitable to attain these. It seems to the President quite possible that if the question were generally discussed at an annual meeting of the Association, the discussion might show up matters in such a light that Chambers would be prepared to modify their views, and it might be possible to come to a unanimous opinion. But with a constitution such as that of the

Association, and a widely scattered membership, small in number although it is, the President has without hesitation come to the conclusion that the machinery of the Association is not suited for dealing in the course of the year with detailed criticisms of legislative measures, and for formulating a single expression of opinion as representative of the Association.

4. In these circumstances, the President proposes to reply to the various references from the Government of India, Legislative Department, which are specified in the attached schedule, to the effect that the Association does not propose to submit an expression of opinion but that the individual Chambers have taken the opportunity, or will take the opportunity, to express their opinions upon the measure direct to their local Government. The President will be glad if he may be favoured at an early date with an expression of the views of your Chamber as to his proposed course of action; he has ascertained by an informal reference to the Government of India, Legislative Department, that so far as they are concerned no objection will be taken to it. And should your Chamber desire to express their views upon any of the measures to the local Government, and not have already done this, they will no doubt now take the opportunity of doing so.

5. The President thinks it will be of interest to the Chambers to have copies of the opinions recorded in connection with the more important of the measures referred to in the schedule, and he is accordingly arranging to print, and to circulate, copies of the letters on the following Bills :—

(*a*) The Bill further to amend the Inland Steam Vessels Act, 1917.

(*b*) The Bill to reserve the Coastal Traffic of India to Indian Vessels.

(*c*) The Bill to amend the Indian Penal Code (Trade Unions).

I have, etc.,
D. K. Cunnison,
Secretary.

Chamber of Commerce, Madras, 6th July, 1928.

To the Secretary, Associated Chambers of Commerce,
of India and Ceylon,
Calcutta.

Sir,—With reference to your letter, dated the 21st June, 1928, I am directed to inform you that the Madras Chamber is in agreement with your proposal to reply to the various references from the Government of India, enumerated in

your letter, that the Association does not propose to submit an expression of opinion, and that the individual Chambers will forward their opinions direct to their Local Governments.

I have, etc.,
C. H. Brock,
Secretary.

The Associated Chambers of Commerce of India & Ceylon, Calcutta, 20th August, 1928.

To all Members of the Association.

Sirs,—I am directed to refer to Circular, dated the 21st June, 1928. The replies which have been received from the Chambers show that a large majority of the Chambers are in agreement with the view expressed in the circular, namely, that the machinery of the Association is not suited for dealing, in the course of the year, with detailed criticisms of legislative measures on references by the Government of India to the Association. In view of these opinions the President has come to the conclusion that he ought to act upon them, and he is, therefore, replying to Government that the Association as such does not propose to offer an opinion on the provisions of the twelve Bills mentioned in the schedule attached to the circular.

2. The minority view in the matter is expressed by two Chambers. One of these is of opinion that the system of reference by the Government of India to the Association, while open to the objections mentioned by the President in the circular, is of distinct value; this Chamber adds that there are no doubt cases in which local conditions result in divergent views being expressed from different parts of the country, but it is considered that there are many more where the solid weight of opinion expressed through the Association has far greater force than individual views put forward to Local Governments. The other minority Chamber, while in general agreement with the views expressed in the circular, feels that it would be unfortunate if the Association were to take any step calculated to discourage Government from inviting the views of the Associated Chambers, as a whole, on legislative measures before the legislature; and this Chamber is, therefore, of opinion that Government should be encouraged to continue to invite such views and that the Association should continue, in turn, to ascertain the views of the constituent Chambers on questions submitted to the Association. This Chamber adds:—

> My Committee would leave it to the President of the Associated Chambers, after perusal of the replies, either to address Government or to instruct the representative

of the Associated Chambers in the Assembly as to his course of action. It is of course recognised that when the views of the constituent Chambers are in any wide degree variant on any question it will be impossible for the Association either to offer to Government a consolidated opinion as from the Association as a whole or to give a mandate to the representative of the Association in the Assembly.

The best that could be said in such cases would be to state both the majority views and the minority view or views.

In some cases naturally it would be preferable for the Association plainly to state that owing to variant views it prefers not to communicate an opinion but to leave it to constituent Chambers to communicate their views through the Local Government, a step which would presumably always be taken when Local Governments invite the views of the Chambers within their area.

3. The Hon'ble Sir George Godfrey has given very full consideration to the opinions expressed by these two Chambers. There is much to be said in favour of them, but, as was pointed out in Circular of 21st June, he feels that the position of the President, when there is difference of opinion upon individual measures, is one of considerable difficulty; and it was because of the difficulty that he has himself experienced in the matter that he addressed Circular of 21st June to the Chambers. He feels that in some ways it might be a distinct disadvantage to the interests represented by the Association if it should become necessary to inform the Government of India that the views of the Chambers on some legislative measure varied; and he feels also that simplicity of procedure is undoubtedly arrived at by an understanding that in the ordinary course the opinions of the Chambers on detailed measures are submitted direct by the individual Chambers to their Local Governments. These feelings have confirmed the President in thinking that he should in this case abide by the views of the large majority of the Chambers. The position would be different if the Government of India attached particular importance to the procedure of ascertaining commercial opinion on legislative measures through the Association as such; but, as he explained in the circular, the President has already ascertained informally that Government do not make any point of adhering to the new procedure.

4. Two of the Chambers suggest that in every case where a Chamber expresses an opinion on a central legislative measure a copy of the opinion should be forwarded to the Association with a view to the opinions being printed and circulated to the Chambers generally. The President entirely agrees that this

course will be of advantage and he will be glad if Chambers will kindly note to let the Association have copies of their views in such cases.

5. It is only necessary to add that there may arise special questions of outstanding importance with regard to which it is both desirable and possible for the Association to record a unanimous opinion; and it will be understood that in such cases it is always open to any individual Chamber to bring the matter to the notice of the Association with a view to the Chambers generally being consulted.

I have, etc.,

D. K. CUNNISON,

Secretary.

REPRESENTATION OF THE ASSOCIATED CHAMBERS ON THE LEGISLATIVE ASSEMBLY

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 23rd April, 1928.

TO ALL MEMBERS OF THE ASSOCIATION,

SIRS,—I am instructed by the President to circulate, for the information of the Chambers, the subjoined copies of his letter, dated the 31st March to Sir Walter Willson and of Sir Walter Willson's reply, dated the 11th April.

I have, etc.,

D. K. CUNNISON,

Secretary.

[ENCLOSURES.]

D.O. letter, dated Calcutta, 31st March, 1928, from the Hon'ble Sir George Godfrey to Sir Walter Willson, M.L.A.

At the close of the business of the annual general meeting of the Association last December Eddis, my predecessor as President of the Associated Chambers, referred to your forthcoming retirement as the representative of the Chambers on the Indian Legislative Assembly. He conveyed to you an expression of their very real appreciation of the services which you have rendered in this capacity during the period of five years for which you have represented the Chambers in the Assembly; and he paid a tribute to the enthusiasm, the unselfish devotion, the energy and the ability which have been characteristic of your work as a member of the Indian legislature. The delegates of the Chambers welcomed the opportunity of thanking you, and of expressing their regret that your association with the Chambers as their representative in the Assembly was drawing to a close.

Now that the Delhi session is finished, and that your work with us is thus completed, I wish to assure you once more of our very genuine regret that we cannot have you with us any longer to look after our interests. We are deeply conscious of our obligation to you and, in wishing you *bon voyage* and farewell, we again thank you for all that you have done for us. We trust that you will have many happy recollections of your strenuous life as a legislator in India, and we thank you specially for the care which you have so consistently taken to keep the Chambers informed of what was going on in the legislature.

D.O. letter, dated 11th April, from Sir Walter Willson to the Hon'ble Sir George Godfrey.

Please accept my grateful thanks for the valedictory letter you, as President of the Associated Chambers, have written to me on their behalf on my departure from India and which was delivered to me soon after the ship sailed.

I can assure you the letter and your very kind remarks and good wishes are deeply appreciated and I thank you particularly for the way you have expressed them.

I shall always look back with pleasure upon the time I was the servant and the representative of the Associated Chambers of Commerce of India and wish them all prosperity.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 31*st May*, 1928.

TO ALL MEMBERS OF THE ASSOCIATION,

SIRS,—In continuation of my Circular, dated the 23rd April, 1928, regarding the retirement of Sir Walter Willson as the representative of the Associated Chambers on the Legislative Assembly, I am directed to inform you that the President has had under consideration the question of arranging for a successor to take Sir Walter's place.

2. Knowing that his action would be cordially approved by the Chambers, Sir George Godfrey approached Sir James Simpson of Madras and asked whether it would be possible for him to allow his name to be submitted to the Government of India with a view to his being nominated to the seat. Although the acceptance of nomination entails some sacrifice and a change in his private plans Sir James Simpson has, the President is glad to say, consented to the submission of his name, and I am directed to ask if you will kindly inform me, as soon as possible, whether the nomination meets with the approval of your Chamber. Sir

James Simpson has been so closely connected with the Associated Chambers since the inauguration of the Association that it seems to the President most appropriate that he should be its representative on the Legislative Assembly.

I have, etc.,
D. K. CUNNISON,
Secretary.

Chamber of Commerce, Madras, 7th June, 1928.

TO THE SECRETARY, ASSOCIATED CHAMBERS OF COMMERCE,
OF INDIA AND CEYLON,
Calcutta.

SIR,—I beg to thank you for your letter of the 31st ultimo, with reference to the Representation of the Associated Chambers of Commerce of India and Ceylon on the Legislative Assembly.

I am directed to inform you that the Madras Chamber is very glad to hear of the President's proposal that Sir James Simpson be nominated to the seat left vacant by the retirement of Sir Walter Willson, and cordially supports the proposal to submit his name to the Government of India for nomination to the Assembly.

I have, etc.,
C. H. BROCK,
Secretary.

DELHI-SIMLA OFFICE OF THE ASSOCIATED CHAMBERS

Chamber of Commerce, Madras, 4th February, 1928.

TO THE SECRETARY, ASSOCIATED CHAMBERS OF COMMERCE OF
INDIA AND CEYLON.
Calcutta.

SIR,—At the last Monthly Meeting of this Chamber Mr. C.E. Wood, who attended the Annual General Meeting of the Associated Chambers, drew attention to the discussion on matters relating to the Association's domestic affairs which followed at the close of the open meeting held on the 20th December and the fact that certain of the smaller Chambers found it impossible to continue to subscribe their share of the cost of the Delhi Office.

I am to advise you that it was resolved that the Madras Chamber agrees to meet in proportion pro-rata to their voting power with the other four senior Chambers the Rs. 8,000 extra expenditure which the Delhi-Simla Office has made necessary.

I have, etc.,
H. WADDINGTON,
Secretary.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 11*th April*, 1928.

To all Members of the Association.

Sirs,—I am directed by the President to invite the attention of the Chambers to the following resolutions in the above connection which were adopted at the annual meeting of the Association on the 20th December last:—

(i) That it is essential for the Associated Chambers to maintain a Delhi-Simla office.

(ii) That in view of the coming of the Statutory Commission it is desirable to utilise the services of Mr. A. H. E. Molson on the lines indicated by the President; and

(iii) That for the ensuing year any expenditure in excess of Rs. 12,000 incurred on account of the Delhi-Simla office, including the expenses involved in employing Mr. Molson on these lines, shall be guaranteed *pro rata* to their votes on the Association by the following Chambers, namely, the Bengal, Bombay, Burma, Karachi and Madras Chambers.

2. In accordance with the third of these resolutions, the expenditure for the current year on account of the Delhi-Simla office up to Rs. 12,000 will be apportioned among the Chambers *pro rata* to their votes on the Association, the share per vote amounting to Rs. 103-7-3. There is appended hereto a table showing the contributions due from the different Chambers on this basis, and I am directed by the President to ask the Chambers kindly to remit their contributions to me at their convenience. It may be mentioned that the credit balance of the Delhi-Simla office account at present amounts to Rs. 509.

I have, etc.,
D. K. Cunnison,
Secretary.

[ENCLOSURE.]

TABLE OF CONTRIBUTIONS DUE FROM THE DIFFERENT CHAMBERS.

		Rs.	A.	P.
Bengal	... 20 votes	2,069	1	0
Bombay	... 16 ,,	1,655	4	0
Burma	... 12 ,,	1,241	7	0
Calicut	... 2 ,,	206	14	6
Chittagong	... 4 ,,	413	13	0
Cochin	... 4 ,,	413	13	0
Cocanada	... 4 ,,	413	13	0
Coimbatore	... 2 ,,	206	14	6
Karachi	... 12 ,,	1,241	7	0
Madras	... 12 ,,	1,241	7	0
Narayanganj	... 4 ,,	413	13	0
Northern India	... 2 ,,	206	14	6
Punjab	... 8 ,,	827	10	0
Tellicherry	... 2 ,,	206	14	6
Tuticorin	... 4 ,,	413	13	0
Upper India	... 8 ,,	827	10	0
	Total...	12,000	8	6

Chamber of Commerce, Madras, 17th April, 1928.

TO THE SECRETARY, ASSOCIATED CHAMBERS OF COMMERCE
OF INDIA AND CEYLON,
Calcutta.

SIR,—With reference to your letter, dated 11th April, 1928, I enclose a cheque on the Imperial Bank of India for Rs. 1,241-7-0, being contribution of the Madras Chamber towards the Delhi-Simla Office.

I have, etc.,
O. P. CHETTY,
Asst. Secretary.

---

*The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 29th November*, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—I am directed to invite your attention to the following resolution, which was carried unanimously at the annual meeting of the Associated Chambers in December 1927:—

> That for the ensuing year any expenditure in excess of Rs. 12,000 incurred on account of the Delhi-Simla office, including the expenses involved in employing Mr. Molson shall be guaranteed *pro rata* to their votes on the Association by the following Chambers, namely, the Bengal, Bombay, Burma, Karachi and Madras Chambers.

The resolution was subject to confirmation in the case of certain of the Chambers mentioned in the resolution.

2. The total expenditure incurred in connection with the Delhi-Simla office in the year 1927-28 was Rs. 14,382-5-8 and if effect is given to the terms of the above resolution the first Rs. 12,000 of this amount falls to be borne by the Chambers which participate in the up-keep of the Delhi-Simla office, and the balance, namely Rs. 2,382-5-8 should be borne by the five Chambers specified, *pro rata* to their votes on the Association. The shares of the five Chambers on this basis will be as follows:—

The Bengal Chamber	... Rs. 662-5-8
The Bombay Chamber	... Rs. 529-0-0
The Burma Chamber	... Rs. 397-0-0
The Karachi Chamber	... Rs. 397-0-0
The Madras Chamber	... Rs. 397-0-0

Subject to the approval of the Committee of your Chamber the President will be glad if you will kindly let me have payment of the amount mentioned.

I have, etc.,
D. K. Cunnison,
Secretary.

REFUND OF INCOME-TAX

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 25*th February,* 1928.

To all Members of the Association.

Memo.—The subjoined copy of a letter, dated 24th February, 1928, to Sir Walter Willson, M.L.A., is published for the information of members.

I have, etc.,
D. K. Cunnison,
Secretary.

[Enclosure.]

Letter, dated 24th February, 1928, from the Associated Chambers of Commerce of India and Ceylon, to Sir Walter Willson, M.L.A.

You will probably remember the discussion which took place at the Associated Chambers' annual meeting in December with regard to the resolution requesting Government to amend section 50 of the Act so as to provide for an extension of the period

during which a refund may be allowed where delay over which the assessee has no control has occurred in the United Kingdom. The position hitherto has been understood in Bengal to be that an intimation to the Income-tax authorities that it was intended to submit a claim for refund in due course would be quite in order if submitted within one year from the end of the financial year in which the income-tax was recovered. In practice this has certainly been recognised by the authorities here and, as far as is known, the practice has never been called in question.

2. It has just come to notice that in Correction List to the Income-tax Manual No. 14, dated 25th November, 1927, there is the following sentence:—

> *Page* 137. Insert the word "calendar" between the words "the" and "year" in line 2 of sub-paragraph 3 on the page.

The effect of this change will be that a claim for refund, or an intimation that it is intended to claim a refund, will in future have to be submitted:—

(a) not later than December 1928, if the tax in respect of the year 1927-28 has been recovered any time in 1927 prior to 31st December, 1927 instead of, as hitherto, the period for submission of the claim or the intimation being up to 31st March, 1929;

(b) not later than December, 1929, if the tax in respect of the year 1927-28 has been recovered any time subsequent to 1st January, 1928, instead of, as hitherto, the period for submission of the claim or the intimation being up to 31st March, 1929.

That is to say, in the case of tax recovered before 31st December the period for submission of the claim or the intimation of the intention to claim is shortened by three months, whereas in the case of tax recovered after 31st December the period is lengthened by nine months. It may, however, be taken for granted that the cases in which it is possible to put off paying the tax until after 1st January are likely to be comparatively few.

3. At the annual meeting of the Associated Chambers in December Sir Bhupendra Nath Mitra, speaking on the resolution regarding section 50 which was moved by the Madras Chamber drew a parallel between the period of one year's limitation referred to in section 50 and the corresponding year mentioned in section 34 and it would appear as if, notwithstanding the emphasis he then laid upon this parallel, an endeavour is now being made by the Government of India to draw a distinction, because the year mentioned in section 34 is the Income-tax year.

4. So long as the Income-tax authorities continue to give intimations, as is the present practice in Bengal, the question is not perhaps of vital importance, because assessees will presumably take care to make their claim, or to lodge the intimation of the fact that they intend to make the claim, before the 31st December instead of before the 31st March. But the question is of very vital importance in respect of tax recovered in the calendar year 1926 for the year 1926-27, because presumably a considerable number of assessees, following their usual practice, will have lodged or will lodge the necessary intimation between the 1st January and the 31st March, 1928. If the authorities insisted on applying this new reading of the instruction to such cases, the matter would presumably be contested in the courts.

5. Perhaps you will be good enough to take the matter up either with the Finance Member or with the Member of the Central Board of Revenue, with a view to ensuring that the change that has been made is not allowed to prejudice the interests of any assessees on the lines indicated.

Chamber of Commerce, Madras, 30*th March*, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon,
Calcutta.

Sir,—Your Circular letter, of the 25th ultimo, forwarding copy of your communication dated the 24th idem to Sir Walter Willson asking him to take up the question of the insertion on page 137 of the Income-tax Rules of the word "Calendar", was considered at the meeting of the Chamber held on Tuesday last and I am to advise you that the Chamber is of opinion the inclusion of the word "Calendar" should be objected to on the grounds given in your letter under reply and suggests that you should press for the insertion in the Income-tax Manual of a definite ruling that notification of a claim within 12 months of paying tax in India as is at present accepted in Bengal will be accepted throughout India. Further it would simplify procedure if the Income-tax authorities would agree that claims for refund of double taxation collected in the United Kingdom be submitted within twelve months of the date on which the assessee has paid tax for the second time which is when the claim actually arises rather than as now required one calendar year from the end of the year in which the tax was first paid in India.

I have, etc.,
H. Waddington,
Secretary.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 11th April, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—I am directed by the President to acknowledge the receipt of your letter, dated the 30th March, with reference to the procedure in connection with claims for refunds. The President agrees with you that it would be an advantage if a ruling were definitely inserted in the Income-tax Manual to the effect that notification of a claim within twelve months of paying the tax in India would be accepted throughout India as it now is accepted in Bengal. And he agrees also with your further suggestion that the date from which the limitation period should run might with advantage be the date on which the second payment of tax is made. The President would, however, suggest that meantime a reply might be awaited from the Government of India to the resolution on the subject of section 50 which was adopted at the annual meeting of the Association last December; a copy of the report of the discussion was in due course sent to Government, and their decision with regard to the recommendation that the refund period should be extended has not yet been received.

2. I am directed by the President to add that he had an informal discussion with the Finance Department on the general question, and particularly with reference to the point raised in the Association's letter of 24th February to Sir Walter Willson, and he understands that special instructions have in point of fact been given to Income-tax Officers not to apply too strictly the period of limitation for making claims for refunds.

I have, etc.,
D. K. CUNNISON,
Secretary.

Chamber of Commerce, Madras, 26th April, 1928.

TO THE SECRETARY, ASSOCIATED CHAMBERS OF COMMERCE OF INDIA AND CEYLON.
Calcutta.

SIR,—With reference to your letter of the 11th instant, I am directed to advise you that this Chamber is in agreement with your suggestion to await the reply of the Government of India.

I have, etc.,
C. H. BROCK,
Secretary

INDIAN INCOME-TAX RULES: CERTIFICATES ON DIVIDEND WARRANTS.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 25*th June,* 1928.

To all Members of the Association.

Sirs,—The following is an extract from a letter which the President has received from the Punjab Chamber:—

> We are directed to bring to your notice that in a certain case, the Income-tax Officer refused to accept the certificates of payment of income-tax and super-tax given by companies on their dividend counterfoils, but he first insisted upon confirming such payment with the Income-tax Officers concerned. This naturally took a considerable time, and the claimant's case was considerably delayed thereby. Our Committee will be interested to hear whether any other cases of this nature have occurred and whether if such is the case, the Associated Chambers would be in a position to take up the matter with the Central Board of Revenue. It may be thought advisable to request the inclusion in the Income-tax Act of a clause making such certificates on dividend warrants acceptable to Income-tax Officers without further reference.

The President will be glad if each Chamber will kindly let him know whether any similar incident has been brought to their notice.

I have, etc.,
D. K. Cunnison,
Secretary.

Chamber of Commerce, Madras, 26*th July,* 1928.

To the Secretary, Associated Chambers of Commerce of
of India and Ceylon,
Calcutta.

Sir,—With reference to your letter, dated 25th ultimo, I am directed to inform you that no member of this Chamber has experienced any incident similar to that complained of by the Punjab Chamber.

I have, etc.,
C. H. Brock,
Secretary.

Associated Chambers of Commerce of India and Ceylon,
Calcutta, 25th September, 1928.

TO ALL MEMBERS OF THE ASSOCIATION,

SIRS,—I am directed to refer to circular dated the 25th June, regarding a point to which attention was invited by the Punjab Chamber of Commerce. It appeared that in a certain case the Income-tax Officer refused to accept the certificates of payment of income-tax and super-tax given by companies on their dividend counterfoils and insisted on confirming such payment with the Income-tax Officers concerned.

2. From the replies which have been received from members of the Association it appears that in most cases a similar occurrence has not been reported. But the Karachi Chamber state that the income-tax authorities there are adopting the same procedure, and several similar incidents are reported by the Upper India Chamber to have been brought to their notice. The following extract from the reply of one Chamber will be of interest :—

> Once the assessee proves that he is entitled to a refund, the certificate would seem to be conclusive (*vide* Section 48 of the Act "shall, on production of the certificate. . . . . . be entitled to a refund . . . . .). Again in paragraph 88 of the Notes and Instructions of the Income-tax Manual it is laid down that "these certificates. . . . . . must ordinarily be accepted by the Income-tax Officers as conclusive proof that tax has been paid".
>
> It is not clear to my Committee whether, in making this reference, the Punjab Chamber had in mind a specific case. It is possible that the Income-tax Officer may have had reason to believe that a certain company derived a substantial portion of its income from tax free securities and that it had failed to comply with the provisions of paragraph 88—Notes and Instructions—and to state what percentage of its income had actually paid tax or was liable to tax. If such were the case my Committee presume that there would be some justification for his action.

3. With regard to the question whether it is expedient for the Association to make representations on the subject to the Central Board of Revenue or to press for an amendment of the Act, several Chambers have expressed themselves as being in favour of action being taken towards making certificates on dividend warrants acceptable to Income-tax Officers without further reference. But in one case a Chamber definitely thinks that objection cannot reasonably be raised to the action of an Income-tax Officer in requiring confirmation. This Chamber

considers that the only objection valid would be if the result were to delay a settlement unnecessarily. Possibly some Chamber might wish to bring the matter forward at the annual meeting in December.

I have, etc.,

D. K. CUNNISON,

Secretary.

Chamber of Commerce, Madras, 1*st November*, 1928.

TO THE SECRETARY, ASSOCIATED CHAMBERS OF COMMERCE OF INDIA AND CEYLON, *Calcutta.*

SIR,--With reference to your letter of the 25th September, 1928, in regard to the certificates of payment of income-tax and super-tax given by companies on their dividend counterfoils, I am directed to state that in the opinion of the Madras Chamber Rule 48 must be complied with, as this rule expressly provides that the Shareholder in a company must satisfy the Income-tax Officer as to whether the rate of Income-tax applicable to the profits or gains of the company is greater than the rate applicable to his total income of the year in which a dividend is declared.

If the assessee fails to satisfy the Income-tax Officer as to the merits of his claim, this Chamber is of the opinion that reasonable objection cannot be taken to the Income-tax officer requiring further confirmation, and that the only valid objection would be if the result were to delay a settlement unnecessarily.

I have, etc.,

C. H. BROCK,

Secretary.

The Associated Chambers of Commerce of India and Ceylon, Calcutta, 6*th November*, 1928.

TO ALL MEMBERS OF THE ASSOCIATION,

SIRS,—I am directed by the President to invite a reference to Circular, dated the 25th September.

2. The Bombay Chamber expresses the opinion that, as complaints of the refusal of the Income-tax authorities to accept certificates of payment of income-tax and super-tax as conclusive proof that tax has been paid, have been received from the Punjab, the United Provinces, and Karachi, the Associated Chambers should bring these complaints to the notice of the Central Board of Revenue. They repeat that no similar cases in the Bombay Presidency have come to their knowledge and that they, therefore, do not propose to bring forward a resolution on the subject at the annual meeting.

3. The Burma Chamber, on the other hand, does not consider a resolution to be necessary. They think that the matter has only to be referred to the Central Board of Revenue to be put right if the action of the Income-tax Officer was in fact wrong. But if the Officer's reason for holding up the matter was as suggested in the extract quoted in para 2 of circular of 25th September, they think, it will be seen, from the following letter from the Assistant Commissioner of Income-tax, Rangoon, to a company in Rangoon, that matters are already in train to ensure that Income-tax Officers may be able to check the proportion of tax-free income from materials at hand, without having to delay settlement by referring to the Income-tax Officer concerned:—

> I have the honour to address you regarding the latest orders as to the form of the Certificate regarding the payment of income-tax on the profits of the Company which has to be furnished by the principal officer of the Company under Income-tax Rule 14.
>
> Under these orders, where the entire profits and gains of the Company, of which the dividend in question forms a part, are not chargeable to Indian Income-tax, the certificate is now required to say that income-tax "on such part, as is liable to be charged to Indian "Income-tax, of the" profits and gains of the Company has been or will be paid. It is possible that many Companies will have in stock a large number of certificates in the old form which had the words "on. . . . . per cent. of the" in place of the words indicated above in inverted commas. If this is so, there is no necessity for the introduction of the new certificate till such old stock is exhausted provided that it is indicated clearly in the certificates whether or not the entire profits of the Company are liable to Indian Income-tax.
>
> Arrangements have been made for the interchange between assessing officers in British India of the figures of percentage of income liable to Indian Income Tax of Companies assessed by them so that refunds may be granted in accordance with these percentages. Therefore, even if in using an old form of certificate the principal officer of a Company enters a percentage in the blank space it will simply be ignored. The Income-tax Officer dealing with the refunds claimed in respect of the certificate will apply the correct percentage.

4. The President will be glad if Chambers will consider the position and if very early notice will be given if any Chamber desires to bring the matter forward at the annual meeting.

I have, etc.,
D. K. Cunnison,
Secretary.

INCOME-TAX—SECRECY.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 24th January, 1928.

TO ALL MEMBERS OF THE ASSOCIATION.

MEMO. :—The subjoined copy of a letter, dated the 17th January, 1928, from the Government of India, Finance Department (Central Revenues), to Local Governments and Administrations, is issued to all members of the Association. A copy of the Association's letter to the Government of India, of 22nd December, 1927, is also attached.

I have, etc.,
D. K. CUNNISON,
Secretary.

[ENCLOSURES.]

Letter, dated the 17th January, 1928, from the Government of India, Finance Department (Central Revenues), to Local Governments and Administrations.

TAXATION ENQUIRY COMMITTEE'S REPORT—TAXES ON INCOME—CHAPTER IX—PARAGRAPH 250—LOCAL TAXES—LIST OF PERSONS LIABLE TO—COMMUNICATION OF, BY INCOME-TAX DEPARTMENT TO LOCAL AUTHORITIES.

With reference to the correspondence on the above question, I am directed to say that the Government of India have decided not to pursue the proposal since the balance of opinion is against it and their own view coincides with that of the majority of Local Governments and Administrations.

Copy to the Secretary, Associated Chambers of Commerce of India and Ceylon, with reference to his letter, dated 22nd December, 1927.

Letter dated Calcutta, the 22nd December, 1927, from the Associated Chambers of Commerce of India and Ceylon, to the Government of India, Finance Department.

I am directed to submit, for the favourable consideration of the Government of India, the following resolution which was adopted at the ninth annual general meeting of the Associated

Chambers of Commerce of India and Ceylon held at Calcutta on the 19th and 20th December 1927:—

That this Association records its strong disapproval of the suggestion of the Indian Taxation Enquiry Committee that section 54 of the Indian Income-tax Act, regarding secrecy, might be amended so as to permit Income-tax Officers to issue to local authorities lists of persons assessable to local profession taxes. In the opinion of this Association, the secrecy of income-tax returns is of paramount importance and should be strictly preserved.

2. The report of the discussion which preceded the adoption of the resolution will be forwarded at an early date.

Extract from Report of the Indian Taxation Enquiry Committee, 1924-25.

PARAGRAPH 250: PROVISIONS FOR SECRECY.

The recognition of the importance of complete secrecy in income-tax returns is comparatively recent in India. Until 1918 a provision existed for the publication of notices specifying the tax payable by persons with incomes below Rs. 2,000, and it was not until 1922 that the law provided for complete secrecy. Unless assessees are satisfied that their income-tax returns will be used only for the purpose of assessing them to income-tax, it is impossible to expect them to furnish correct returns, and for this reason the maintenance of secrecy is an important factor in the development of an efficient administration of the income-tax in India.

In two respects, however, a departure from the present practice may be made without infringing the principle on which it is based. The adoption of the practice of publishing in the annual reports a list of persons penalised for income-tax offences, which is in force in Australia, would possibly operate as a deterrent to the commission of such offences, and might be tried.

In certain provinces where a profession tax or similar local tax exists, the present law makes it impossible for the authorities responsible for its collection to utilise the information in the possession of the income-tax department regarding persons assessable to both taxes. In order to obviate the necessity for a double assessment, the law regarding secrecy might well be amended so as to permit Income-tax Officers to draw up lists of such persons and the sums for which they are liable under local taxation Acts and to furnish these to the authorities responsible for collecting the local tax.

INCOME-TAX—UNAPPROPRIATED DEPRECIATION ALLOWANCES.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 10th July, 1928.

To all Members of the Association.

Sirs,—I am directed by the President to submit to you for an expression of the views of your Chamber on the points raised in it the subjoined copies of a letter, dated 5th July, and of its enclosure from the Punjab Chamber with reference to Section 10 (2) (6) (b) of the Income-tax Act.

I have, etc.,
D. K. Cunnison,
Secretary.

[Enclosures.]

Copy of letter, dated Delhi, the 5th July, 1928, from the Punjab Chamber of Commerce.

The attention of our Committee has been drawn to the procedure adopted by the Income-tax Department in Lahore, in connection with the above sub-section of the Income-tax Act. The sub-section is in the form of a proviso and relates to the carrying forward of unappropriated depreciation allowances from year to year. It reads as follows:—

> Where full effect cannot be given to any such allowance in any year owing to there being no profits or gains chargeable for that year, or owing to the profits or gains chargeable being less than the allowance, the allowance or part of the allowance to which effect has not been given, as the case may be, shall be added to the amount of the allowance for depreciation for the following year and deemed to be part of that allowance, or, if there is no such allowance for that year be deemed to be the allowance for that year, and so on for succeeding years.

In the case in question, the assessee was the proprietor of more than one business, one of which was working at a loss and the other at a profit. It appears to our Committee that the intention of the sub-section is to give the benefit of depreciation to an assessee, and in their opinion, unappropriated depreciation on the business making a loss should be an allowable deduction from the profits of the business making a profit. The

Income-tax Officer concerned, however, has refused to accept this view and has ruled that the depreciation allowances in respect of each business must be treated strictly in relation to each business. Thus, it will be seen that if the assessee decides to close down the business which is making a loss, which is in most cases the most probable course of action, he loses altogether the benefit of depreciation on the assets of the business so closed down.

The matter was referred to the Commissioner of Income-tax, Punjab and N.W.F. Province, and we enclose copy of his reply, from which you will see that he supports the action of the Income-tax Officer.

Our Committee will be glad to have the opinion of the Associated Chambers on the point, and if this opinion is found to be in accordance with their views, they will be glad if the Associated Chambers will take what action may be thought necessary to obtain a reversal of the ruling of the Income-tax authorities.

Copy of letter, dated the 2nd May, 1928, from the Commissioner of Income-tax, Punjab, and N.W.F. Province, Lahore, to the Punjab Chamber of Commerce, Delhi.

In reply to your letter of the 5th April, I have the honour to say that I agree with the interpretation of the Income-tax Officer, Lahore, of the relevant provisions of Section 10 of the Act. Each of the businesses of an assessee has to be treated separately for purposes of depreciation allowance, and if the profits or gains of a particular business are not sufficient to cover the allowance admissible in respect of that business, the excess depreciation cannot be set off against the profits of any other business belonging to the assessee. It follows that any arrears of depreciation in respect of a business which has been discontinued cannot be adjusted in the way which you suggest.

Chamber of Commerce, Madras. 2nd August, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon,
Calcutta.

Sir,—With reference to your letter of the 10th July, 1928, forwarding copies of correspondence exchanged by the Punjab Chamber with the Commissioner of Income-tax, Punjab and North Western Province in regard to Section 10 (2) (6) (b) of the Indian Income Tax Act, I am directed to advise you that the Madras Chamber does not consider the claim of the Punjab

Chamber to transfer the unappropriated depreciation allowances on the business making a loss to the business making a profit can be upheld.

I have, etc.,
C. H. BROCK,
Secretary.

The Associated Chambers of Commerce of India and Ceylon,
Calcutta, 7th December, 1928.

TO ALL MEMBERS OF THE ASSOCIATION,

SIRS,—I am directed by the President to issue for the information of members the following copy of a reply that has been received from the Punjab Chamber of Commerce:

"We are directed to refer to circular dated the 2nd October, 1928."

The point at issue came up for further discussion before the members of our Managing Committee on 15th inst. and it was felt, from the views expressed by constituent Chambers, that the case originally put up by this Chamber had not been fully appreciated. For that reason we are directed to approach you again in the matter and to request that it may receive further consideration.

We re-state the case as follows:—

"'A' is the sole proprietor of three businesses two of which are making profits whereas the third is running at a loss. It is clear from the Act that in "A's personal return he is entitled to set off this loss against the combined profits of his two other businesses. The Income-tax Officer in Lahore, however, did not allow a full set-off of the total loss (which, of course included depreciation), but was prepared to allow a set-off to the extent of the amount of loss shewn by the accounts *before charging* depreciation. In other words, the trader was receiving no reduction in tax on account of the depreciation on the assets of the business which was running at a loss. This introduces the question of defining the word "loss" and, as from an accountancy point of view depreciation must be regarded as a working expense, it is felt that the term "loss" must include depreciation."

We trust that we have made the case quite clear on this occasion and shall be glad to hear from you in due course. In conclusion, we are to make it quite clear that the case in question refers only to the case of a sole proprietor of several businesses."

I have, etc.,
D. K. CUNNISON,
Secretary.

SUPPLY OF INFORMATION REGARDING DIVIDENDS.

Office of the Commissioner of Income-tax,
Madras, 10*th March*, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—I am directed to inform you that the Central Board of Revenue has decided to suspend until further orders the application of Section 19 (A) of the Indian Income-tax Act XI of 1922 to companies whose dividends are paid outside British India.

I have, etc.,
F. H. Senneck,
Commissioner.

Chamber of Commerce, Madras, 30*th March*, 1928.

To the Commissioner of Income-tax,
Madras.

Sir,—I have to acknowledge receipt of your letter of the 20th instant advising that the Central Board of Revenue have suspended until further orders the application of Section 19-A of the Indian Income-tax Act to Companies whose dividends are paid outside British India. In the heading of your letter Sterling Companies are specifically mentioned and I am instructed to enquire whether the application of Section 19-A is suspended only in respect to Sterling Companies or whether it also covers the case of Rupee companies in Ceylon, in fact any company whose dividend is paid outside India.

I have, etc.,
H. Waddington,
Secretary.

Office of the Commissioner of Income-tax,
Madras, 11*th May*, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—The application of Section 19-A of the Indian Income-tax Act, XI of 1922, has been suspended in respect of all Companies whose dividends are paid outside British India.

I have, etc.,
F. H. Senneck,
Commissioner.

INCOME-TAX ON COMMISSIONS

FINANCE DEPARTMENT (CENTRAL REVENUES). NOTIFICATION.

INCOME-TAX

New Delhi, the 24th March, 1928.

No. 8.—In exercise of the powers conferred by Section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor-General in Council is pleased to direct that the following further amendment shall be made in the notification of the Government of India in the Finance Department No. 878-F., dated the 21st March 1922, namely:—

For paragraph (*b*) of the said notification the following paragraph shall be substituted, namely:—

"(*b*) that the following classes of income shall be exempt from the tax payable under the said Act, but that they shall be taken into account in determining the total income of an assessee for the purposes of the said Act—

(1) the interest on Government securities purchased through the Post Office, and held in the custody of the Accountant-General, Posts and Telegraphs; and

(2) sums received by an assessee on account of salary, bonus, commission or other remuneration for service rendered, or in lieu of interest on money advanced, to a person for the purposes of his business,

where such sums have been paid out of, or determined with reference to, the profits of such business.

and, by reason of such mode of payment or determination, have not been allowed as a deduction but have been included in the profits of the business on which income-tax has been assessed and charged under the head "business";

Provided that such sums shall not be exempt from the payment of super-tax unless they are paid to the assessee by a person other than a company and have already been assessed to super-tax."

A. TOTTENHAM,
Joint Secy. to the Govt. of India.

Chamber of Commerce, Madras, 3rd September, 1928.

A. R. L. TOTTENHAM, ESQ., I.C.S., CENTRAL BOARD OF REVENUE, *Simla.*

SIR,—With reference to your meeting on 31st August, 1928, with a Committee of this Chamber Income-tax Notification (Central Revenues) dated New Delhi, 24th March, 1928, was discussed and you informed the Committee that this notification was issued with the intention of preventing commissions, etc., being taxed twice, once as part of the profits of Company paying the commission, where such commission has been held to be an inadmissible deduction, and again as part of the income of the recipients. This intention has obviously been misunderstood by local assessing officers who have read in the notification an instruction that commissions, in any way calculated with reference to profits, are inadmissible deductions.

For many years past such commissions have been treated as part of the remuneration of Managing Agents or employees for services rendered to earn the profits and consequently have been admissible deductions, the recipients paying the tax.

Any departure from this recognised procedure will cause very great inconvenience to the Mercantile community generally.

Local assessing Officers advance as a further reason the judgment in Madras High Court R.C. No. 13 of 1926. This Judgment, however, appears to have no application to the question now under discussion. It dealt with "payments out of profits" which might or might not be made in the future, dependent upon realisations and the arbitrary decisions of Mahomed Kassim. Until these payments were made they were problematical and contingent. This is quite a different matter to "payments dependent on profits" being the agreed and paid remuneration of the recipients.

A distinction can be made between commissions and bonuses, commissions being a definite agreed percentage to which the recipient is legally entitled whereas a bonus is a voluntary payment of an undefined amount though probably also made in recognition of services. It is admitted that to allow bonuses to be deducted from profits for the purpose of calculating income-tax does permit of a loophole for abuse.

The practice in the United Kingdom is to allow all these deductions both commissions and bonuses, however, calculated.

I have, etc.,

C. H. BROCK,

Secretary.

Central Board of Revenue, Simla, 22nd October, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—Your letter dated the 3rd September, 1928.

You would appear to have misunderstood the purport of Mr. Tottenham's reply. The object of notification No. 8, dated 24th March, 1928, was to prevent double taxation of the same sums, once in the hands of the person disbursing the commission, and again in the hands of the recipient. The notification provides for exemption of the latter, and the sums are, therefore, chargeable against the former. The procedure being followed in Madras is, therefore, correct.

I have, etc.,
V. S. SUNDRAM,
Secretary.

GRADATION OF SUPER-TAX.

The Associated Chambers of Commerce of India and Ceylon, Calcutta, 23rd June, 1928.

TO ALL MEMBERS OF THE ASSOCIATION,

SIRS,—I am directed by the President to send you herewith copy of a letter dated the 11th June, 1928, with its enclosures from the Northern India Chamber of Commerce and to invite an expression of opinion on the point raised in the correspondence.

I have, etc.,
D. K. CUNNISON,
Secretary.

[ENCLOSURE.]

Letter, dated the 11*th June,* 1928, *from the Northern India Chamber of Commerce to the Associated Chambers of Commerce of India and Ceylon.*

I am directed to enclose herewith a copy of a letter addressed by this Chamber to the Central Board of Revenue, together with copy of the reply thereto, and to request that the views of members of the Association on the points raised in the correspondence, may kindly be ascertained.

Letter, dated Lahore, the 4th April, 1926, from the Northern India Chamber of Commerce, to the Central Board of Revenue.

I am directed to refer to the interview with you by the Vice-Chairman of this Chamber and to set out hereunder, in detail, the point raised by the Chamber in regard to the super tax on companies. It will be greatly appreciated if you will kindly let this Chamber have any remarks or suggestions you may wish to make.

At present super tax is raised on all profits of a person or undertaking in excess of Rs. 50,000 per annum irrespective of the capital sum outlaid to produce that profit, which, whilst an easy system from atax collection viewpoint appears to bear no equity on the law of averages. To briefly illustrate the point I might take for instance a limited liability company with a subscribed capital of Rs. 2,00,000 returning an annual profit of Rs. 66,700. Such an undertaking whilst making 33 1/3 per cent. profit would pay income-tax at the rate of one anna six pies in the rupee on the first Rs. 50,000 and super tax on the remaining Rs. 16,700 whereas an undertaking with a subscribed capital of Rs. 6,67,000 returning an annual profit of Rs. 66,700 or making a profit of 10 per cent. only, would pay super tax on the same amount Rs. 16,700 although the capital invested to secure that profit is over three times that of the first example.

It would seem only equitable that super tax in all cases should commence at a profit bar which bore some equitable basis to the capital outlay from which the profit is derived: in other words if Rs. 50,000 is the super tax bar for a two lakh undertaking, obviously the super tax limit on a two lakh undertaking should be considerably raised, even if not *pro rata*.

Letter, dated 12th May, 1928, from the Central Board of Revenue, to the Northern India Chamber of Commerce.

In reply to your letter of the 4th April, 1928, I am directed to say that the Board finds that the system that your Chamber recommends, was considered and rejected by the Government of India in connection with certain proposals in regard to a revision of taxation.

In the circumstances the Board does not feel itself at liberty to discuss the objections to the suggestion, which is one for the consideration of the Government of India and the decision of the Legislature.

Chamber of Commerce, Madras, 2nd August, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon,
Calcutta.

Sir,—Your letter, dated 23rd June, 1928, was only discussed at the last meeting of the Chamber after previous circulation to all members, hence the delay in replying to it.

I am directed to inform you that this Chamber is in general sympathy with the suggestion made by the Northern India Chamber, but in the absence of a more detailed description of the method of how the proposal is to be worked out, and of the reasons why a similar recommendation was formerly rejected by the Government of India, it is difficult to express any definite opinion.

I have, etc.,
C. H. Brock,
Secretary.

SERVICES OF ACCOUNTANTS.

Chamber of Commerce, Madras, 7th December, 1928.

To the Secretary, Government of India,
Central Board of Revenue,
New Delhi.

Sir,—At the last Monthly General Meeting of the Chamber held on the 27th November, 1928, it was resolved to draw the attention of the Central Board of Revenue to paragraph 66 of the Notes and Instructions in the Income-tax Manual explaining Section 22 (4) which explicitly lays down that.—

> "Steps should be taken to secure that the services of competent and reliable Accountants, where employed by assessees, should be utilized to the fullest extent by the Income-tax Offices"; and that:—"Where a statement of profit and loss filed by an assessee has been certified as correct and complete by such an Accountant, the Income-tax Officer should, unless he sees reason to the contrary, accept the statement as correct and complete with regard to the facts mentioned in it, although he will frequently have to call for details showing how various figures are made up."

The intention of the Central Board of Revenue is clearly shown by these instructions.

In the opinion of the Madras Chamber it is important that the services of such Accountants should be fully utilized by the Income-tax Officers, especially in cases where an assessee is not perhaps sufficiently literate in English, conversant with procedure or trained in accountancy to be able personally to explain clearly the particulars sometimes asked for by Income-tax Officers, and it has been brought to its notice that cases have arisen in which Income-tax Officers have gone past the Accountant, and have called upon the individual himself to supply supplementary figures which, through ignorance of procedure, have turned out to be incorrect, although the individual himself, in order to ensure correct returns, has employed the services of a competent Accountant.

The Madras Chamber beg to request the Board to draw the attention of Income-tax Officers to the above quoted instructions, and to explain that all such further details, as are required to show how the various figures are made up, should ordinarily be obtained direct from the Accountant who certified the statement of profit and loss as correct and complete.

We may perhaps mention that this question was discussed with Mr. Tottenham during his recent visit to Madras and possibly his sudden illness may have prevented him from going further into the matter.

I have, etc.,
C. H. Brock,
Secretary.

Central Board of Revenue, New Delhi, 12th December, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—I am directed to acknowledge the receipt of your letter, of the 7th December, and to say that owing to his illness, Mr. Tottenham did not leave any note on the point raised by you.

2. The attention of the Chamber of Commerce is invited to the sentences in paragraph 66 of the Income-tax Manual following those quoted in your letter which was "But in such cases the Accountant himself when authorised by the assessee to appear on his behalf should be asked to supply the details." It is not clear from your letter whether in the cases mentioned the assessees had issued the authority, necessary under section 61 of the Indian Income-tax Act, 1922, to the Accountants to appear in their behalf and, in case the Chamber deems it necessary, the Board would be glad of further information in this respect. The Board would also remark that, if the issue of a formal notice under section 22 (4) or section 23 is necessary, it can, under

terms of these sections, only be issued to the assessee himself, but it is open to the latter in such cases to authorise some person in writing to appear in his behalf.

3. So far as the Board is aware, the instructions in paragraph 66 of the Income-tax Manual are well-known to Income-tax officers, and the issue of further orders does not, on the information at present available, appear to be necessary.

I have, etc.,
V. S. SUNDARAM,
Secretary.

EXPORT DUTY ON RAW HIDES.

Madras, 19*th January*, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—We understand that Government are tentatively proposing to replace this duty by a cess, but in view of the narrow margin on the division last year when it was proposed to abolish the duty we think it probable that those Chambers who regard it with disapproval will bring forward a motion for its abolition in the forthcoming session of the Assembly.

There is at present a world shortage of raw hides which is resulting in keen competition between countries for such supplies as are available. Inevitably prices have advanced in India by over 50 per cent., and Indian tanners even at these prices are having difficulty in buying their requirements owing to the demand for the export trade. The necessity for the slight protection given by an export duty is, therefore, more keenly felt to-day than ever, and we would ask the Chamber to use their influence if possible to have the duty raised to the previous figure of 15 per cent.

We would suggest also that Government be asked to revise the existing tariff valuation for hides.

We shall be much obliged if you will assist the tanning industry by addressing Government on the lines indicated above.

We have, etc.,
BEST & COMPANY, LIMITED.

Chamber of Commerce, Madras, 10*th February*, 1928.

TO THE SECRETARY, GOVERNMENT OF INDIA,

DEPARTMENT OF COMMERCE,

Delhi.

SIR,—This Chamber and the Southern India Skin and Hide Merchants' Association have on several previous occasions brought to your notice the serious effect which the reduction in the export duty on Hides and Skins has had on the Tanning Industry in this Presidency.

There is at present a world shortage of raw hides, which is resulting in keen competition between countries for such supplies as are available. Prices have advanced in India by over 50 per cent. and Indian Tanners are having difficulty in buying their requirements even at the present prices.

The necessity for the slight protection given by the export duty is, therefore, more keenly felt to-day than ever and I am to urge as strongly as possible that the duty should be restored to its previous rate of 15 per cent. *ad valorem.*

At the same time I am to suggest that Government should revise the existing tariff valuation for Hides, which is obviously out of date and should be amended so as to bring it more nearly into line with present actual values.

On the present tariff valuations the 5 per cent. export duty, based on to-day's market value of Raw Hides, is only equivalent to $2\frac{1}{2}$ per cent.

The lowest valuation of Dry Arsenicated Cow Hides in the Indian Customs Tariff is six annas per pound, while the lowest recognised grade of Dry Hides is that of Cawnpore Chauri-Chaura, now quoted at Rs. 65 per 82 lbs. or 12.92 annas per pound.

The lowest valuation of wet-salted Cow Hides in the Indian Customs Tariff is As 4 per lb., while the present market value for these Hides is about As. 7 per lb. Although fluctuations in the prices of these raw materials may occur, it is generally considered that the level of prices in future will be substantially above that ruling during the past few years.

I have, etc.,

H. WADDINGTON,

Secretary.

Chamber of Commerce, Madras, 28th February, 1928.

TO THE PRESIDENT, SOUTHERN INDIA SKIN AND HIDE MERCHANTS' ASSOCIATION,
Madras.

SIR,—The Chairman asks me to convey to you the thanks of the Committee of the Chamber for the printed copy of the resolution passed at the fifth session of the Industrial and Commercial Congress held at Madras together with representations made to the several Provincial Governments.

Under instruction, I have pleasure to send you herewith copy of the Chamber's letter of the 10th instant addressed to the Government of India, Department of Commerce, in this regard.

I have, etc.,
H. WADDINGTON,
Secretary.

Southern India Skin and Hide Merchants' Association,
Madras, 28th February, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—I am in receipt of your letter of date giving cover to the copy of your representation to the Government of India, Commerce Department. I quite agree with the views of your Chamber in the matter and I am confident my Association will also agree to the same. However, I will put it before the next Committee meeting of the Association, in order that my Association may also make similar representation to the Government.

I have, etc.,
M. JAMAL MAHOMED,
President.

Government of India, Department of Commerce,
New Delhi, 16th March, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—With reference to your letter, dated the 10th February, 1928, I am directed to say that the Government of India have noted your views regarding the restoration of the export duty on raw hides and skins to 15 per cent. *ad valorem*, and your suggestions as regards the tariff valuation for raw hides and skins.

I have, etc.,
J. A. WOODHEAD,
Jt. Secy. to the Government of India.

Department of Commercial Intelligence and Statistics,
Calcutta, 22nd March, 1928.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—Your letter of the 10th February last addressed to the Secretary to the Government of India, Department of Commerce, Delhi, has been referred to me for disposal so far as it relates to the tariff values of hides. I have carefully examined your request for a mid-year revision of these tariff values, but I regret my inability to recommend their enhancement at present.

I would point out in this connection that these hides values are revised annually on the basis of the market prices of the various grades included under each tariff head and exported from the principal ports concerned during the 12 months preceding each revision. This system of annual revision implies that the values should not be altered either upwards or downwards in the course of the calendar year unless there is an abnormal rise or fall in the market prices.

I have, etc.,
L. J. MACIVER,
Offg. Director-General.

Chamber of Commerce, Madras, 5th April, 1928.

TO THE DIRECTOR-GENERAL OF COMMERCIAL
INTELLIGENCE AND STATISTICS,
Calcutta.

SIR,—I have to acknowledge receipt of your letter, dated 22nd ultimo, which was considered at the last monthly meeting of the Chamber and I was instructed to ask that at the next Annual Tariff Valuation you will give careful attention to the question of the Tariff Valuation of Hides, which as pointed out in my letter of the 10th of February last is, in the opinion of the Chamber, only about 50 per cent. of the actual market value of Hides at the present time.

I have, etc.,
H. WADDINGTON,
Secretary.

Department of Commercial Intelligence and Statistics,
Calcutta, 11th April, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—In acknowledging the receipt of your letter of the 5th instant, I write to say that its contents have been noted for consideration at the next annual revision of tariff values of hides.

I have, etc.,
M. Sen,
for *Director-General.*

Southern India Skin and Hide Merchants' Association,
Madras, 15th December, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—I have pleasure to send herewith a copy of the minutes of the joint meeting of the representatives of your Chamber and my Association held yesterday.

In pursuance of one of the resolutions passed I beg to send herein a letter to the Government of India signed by our President and request that it may be signed by your Chairman and forwarded to the Government of India.

I am to thank your Chamber warmly for their active, continued and strong support to the important tanning industry of the country and their co-operation with my Association.

I have, etc.,
M. Md. Ismail,
Hon. Secretary.

[Enclosure.]

Southern India Skin and Hide Merchants' Association,
Madras, 15th December, 1928.

To the Secretary, Government of India,
Department of Commerce,
New Delhi,

Sir,—We have the honour to place before you for your fovourable consideration and action the following Resolution passed unanimously at a joint meeting of the representatives of

the Southern India Skin and Hide Merchants' Association, Madras, and the Madras Chamber of Commerce, held on the 14th.

"That as the indigenous tanning industry—both Skins and Hides tanning—is in need of an adequate protection and as the present export duty of 5 per cent. does not give sufficient protection to the industry, the Government of India be strongly urged to raise the duty to 15 per cent. on the export of raw hides and skins."

We may be permitted to state that though the Madras Chamber and my Association have made repeated representations to the above effect, the Government have, we are sorry, not so far done anything in that direction. For the support of the important tanning industry of the country and in the real interests of the country an adequate protective export duty is necessary and we, therefore, strongly urge upon the Government to be pleased to take early steps to have the export duty on raw hides and skins raised to fifteen per cent.

We have, etc.,
M. JAMAL MOHAMED,
President.

Chamber of Commerce, Madras 9th January, 1929.

TO THE SECRETARY, GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE,
New Delhi.

SIR,—In the September Session of the Legislative Assembly a resolution was tabled to propose that the export duty of 5 per cent. on Raw Hides and Skins be abolished, but the Sessions finished before that resolution came up for discussion.

This Chamber understands that it is possible a similar resolution may be proposed at the February/March Sessions of the Assembly and wishes to record its opposition to such a proposal if made. The export duty on Raw Hides and Skins has been the subject of correspondence for a very considerable time past and I am directed to refer you to this Chamber's letter, dated 19th November, 1926, which sets out this Chamber's views at length.

The Madras Chamber still adheres to the views expressed in the above letter and desires to add that nothing has happened between then and now to alter the views therein expressed. In fact the position to-day in regard to Hides tanning is that the industry is in need of enhancement of the export duty to its former level of 15 per cent. because of the very high prices which have been ruling for Raw Hides for a considerable time past. Further the existing tariff valuations on Raw Hides and Skins

are so much below ruling market prices that the beneficial effect to Indian Tanners of the export duty is reduced by about 50 per cent.

This Chamber also wishes to direct attention to its letter of the 29th of December, 1926, in which the question of referring the subject of export duty on Raw Hides and Skins to the Tariff Board was introduced. As has been pointed out before, the Madras Presidency is vitally interested in the tanning industry and the views of this Chamber, as expressed in previous correspondence, are supported by the Southern India Skin and Hide Merchants' Association, Madras, which Association is understood to be addressing you on this subject.

In the opinion of this Chamber the abolition of the export duty would, so far as the industry of tanning in this Presidency is concerned, have a most detrimental effect on a very important industry of this Presidency and it urges, not only the retention of the export duty but that this export duty be increased to 15 per cent. If it is the view of Government that they cannot support the views of this Chamber then this Chamber desires that the whole subject be referred to the Tariff Board.

I have, etc.,
H. WADDINGTON,
Secretary.

Government of India, Department of Commerce,
New Delhi, 19th January, 1929.

TO THE SECRETARY, CHAMBER OF COMMERCE,
Madras.

SIR,—With reference to your letter, dated the 9th January, 1929, I am directed to say that the views of your Chamber are noted by the Government of India.

I have, etc.,
L. SEN,
Asst. Secy. to the Govt. of India.

TARIFF VALUATION ON RAW HIDES AND SKINS

Chamber of Commerce, Madras, 10th September, 1928.

TO THE COLLECTOR OF CUSTOMS,
Madras.

SIR,—I have the honour to acknowledge your letter, dated 28th ultimo, regarding reduction in tariff valuations with special reference to the advisability of revising the valuation of raw hides and skins with effect from 1st January, 1929. In this connection I have the honour to enclose

for your information copy of letter addressed to the Secretary, Government of India, Department of Commerce, Delhi, on the 10th February last forwarding a suggestion to revise the existing tariff valuation for Hides, but you will note in that letter no particular values were then put forward. I am directed to inform you that the members of this Chamber consider that the following should be taken as the tariff values on Hides and Skins for the coming year in substitution to the values in Schedule 3 of the Export Tariff.

(1) Skins—Goat	... ...	Rs.	2	0	0	per piece
Sheep	... ...	Rs.	1	14	0	do.
(2) Dry Salted Cow Hides—						
(*a*) Cows including Calf	...	As.	0	10	0	per lb.
(*b*) Buffs including Calf	...	As.	0	7	6	do.
(3) Wet Salted Hides—						
(*a*) Cows including Calf	...	As.	0	6	0	per lb.
(*b*) Buffs including Calf	..	As.	0	4	0	do.

I have, etc.,
C. H. BROCK,
Secretary.

ALTERATION OF HEADINGS IN TARIFF VALUATION SCHEDULES

Associated Chambers of Commerce of India and Ceylon, Calcutta, 27th March, 1928.

TO ALL MEMBERS OF THE ASSOCIATION.

SIRS,—I am directed to subjoin copy of letter, dated 20th March, 1928, from the Government of India, Department of Commerce, and to invite an expression of the opinion of your Chamber on the procedure proposed in it by the Government of India.

I have, etc.,
D. K. CUNNISON,
Secretary.

[ENCLOSURE.]

Letter, dated 20*th March,* 1928, *from the Government of India, Department of Commerce, to the Associated Chambers of Commerce of India and Ceylon.*

I am directed to refer to your letter, dated the 22nd December, 1927, forwarding copy of a resolution adopted at the 9th Annual General Meeting of the Associated Chambers

of Commerce of India and Ceylon recommending that in future when changes in the tariff headings are under contemplation Chambers of Commerce and other bodies interested should be consulted by the Central Government before such changes are brought into effect.

2. The procedure followed by the Director-General of Commercial Intelligence at present for the revision of the Tariff Valuation Schedules is to consult, either directly or through the Collectors of Customs, the principal Chambers of Commerce at the five major ports in November each year, both as regards changes in tariff values and the classification of the units to which the values are applied. It is understood that, so far as changes in values are concerned. the Associated Chambers are satisfied with the existing procedure and that the object which the resolution has in view is that the trade should receive longer notice of proposed changes in classification and should be consulted in all cases before they are introduced.

3. The Government of India have given careful consideration to the resolution, and are prepared to modify the procedure as follows :—

The Director-General will circulate to the principal Chambers of Commerce, who are at present consulted, all proposals affecting classification as they are received by him, in the course of the first 6 or 7 months of the year. The Chambers of Commerce will be requested to furnish him with their written views on these proposals by September or October and these will be taken into consideration by him in formulating his provisional proposals covering changes both in classification and values. He will then as usual consult the principal Chambers again in November in regard to these provisional proposals.

Proposals affecting classification which may be received by the Director-General in the latter part of a year will generally be held over for circulation to the Chambers in the following year, unless they are very simple or of an urgent nature and in that case they may be introduced in the provisional publication without prior circulation to the Chambers of Commerce. These will, however, be treated as exceptional cases and the Director-General will make a special point of discussing them at his meetings with the Chambers of Commerce at Calcutta and Bombay.

4. The Government of India hope that the above procedure will adequately meet the wishes of the Associated Chambers of Commerce so far as consultation with the principal Chambers of Commerce is concerned. As regards consultation with the other bodies interested, the Government of India consider that the object of the resolution will be achieved if the Chambers of Commerce will consult the bodies affiliated to them before submitting

their views to the Director-General and if their representatives attend, as many of them do now, his meetings with the Chambers at Calcutta and Bombay. To remove any possible misapprehension, the Government of India desire to make it clear that although the communications from the Director-General of Commercial Intelligence and Statistics will be marked Confidential there would be no objection to the Chambers of Commerce consulting their affiliated bodies in regard to the changes suggested.

Chamber of Commerce, Madras, 26th April, 1928.

To the Secretary, Associated Chambers of Commerce of India and Ceylon,
Calcutta.

Sir,—I have to acknowledge your letter of the 27th March, 1928, forwarding copy of communication from the Government of India, Department of Commerce, detailing the procedure to be adopted in regard to alteration of headings in the Schedule of Import Tariff, and am directed to advise you that the Madras Chamber is in agreement with the procedure suggested.

I have, etc.,
C. H. Brock,
Secretary.

Associated Chambers of Commerce of India and Ceylon,
Calcutta, 18th June, 1928.

To the Secretary, Government of India,
Department of Commerce,
New Delhi.

Sir,—I have the honour to refer to your letter dated the 20th March, 1928. The Chambers have read with much interest the proposals contained in your letter explaining the procedure which the Government of India propose to adopt with a view to giving effect to the terms of the resolution.

2. The proposals have been circulated to the Associated Chambers, and I am directed to state that the Chambers generally are of opinion that the procedure suggested will be satisfactory. One Chamber does not consider the proposals to be entirely adequate and thinks that all Chambers of Commerce should be consulted on proposals affecting classification, and not only the Chambers at the five major ports. As the procedure contemplates that the proposals put forward during the first six or seven months of the year will be submitted in time to allow of opinions being expressed by September or October, perhaps the Government of India would have no objection to referring such proposals

through the respective Local Governments to all Chambers, as well as to the Chambers at the five major ports. The President will be glad if he may be informed whether this can be arranged.

I have, etc.,
D. K. CUNNISON,
Secretary.

Memo No. 45-A.C.

Copy forwarded for information to all members of the Association with reference to Circular, dated 27th March, 1928, and the replies received from the Chambers.

D. K. CUNNISON,
Secretary.

The Associated Chambers of Commerce of India and Ceylon, Calcutta, 10th September, 1928.

TO ALL MEMBERS OF THE ASSOCIATION.

SIRS,—I am directed to subjoin copy of a letter, dated 3rd September, 1928 from the Government of India, Department of Commerce, for the information of all members of the Association in continuation of Circular, dated 18th June.

I have, etc.,
D. K. CUNNISON,
Secretary.

[ENCLOSURE.]

Letter, dated Simla, the 3rd September, 1928, from the Government of India, Department of Commerce, to the Associated Chambers of Commerce of India and Ceylon.

I am directed to refer to your letter, dated the 18th June 1928, and in reply to say that the Director-General of Commercial Intelligence and Statistics has been instructed to consult all the members of the Chambers of the Associated Chambers of Commerce, excepting the Chamber in Ceylon, on proposals affecting the classification of the units to which tariff valuations are applied. I am, however, to add that in order to avoid delay he will consult the Chambers direct and not throughout the Local Governments as suggested by you.

IMPORT DUTY ON ARTIFICIAL SILK MIXTURES

Associated Chambers of Commerce of India and Ceylon,
Calcutta, 11th April, 1928.

To all Members of the Association.

Sirs,--I am directed by the President to send you for information the subjoined copy of a letter dated the 5th April, 1928, from the Government of India, Department of Commerce, in this connection.

I have, etc.,
D. K. Cunnison,
Secretary.

[Enclosure.]

Letter, dated New Delhi, the 5th April, 1928, *from the Government of India, Department of Commerce, to the Associated Chambers of Commerce of India and Ceylon.*

I am directed to refer to your letter, dated the 22nd December, 1927, forwarding copy of the following resolution adopted at the ninth annual general meeting of the Associated Chambers of Commerce of India and Ceylon :—

"That, in order to do away with the present complicated method of calculating, for purposes of assessment to duty, the percentage of the more highly taxed material contained in a fabric, this Association recommends to the Government of India that the import duty on all piece-goods containing an admixture of artificial silk and cotton should be levied at the rate of 11 per cent. *ad valorem*. Similarly, the import duty on admixtures of wool and artificial silk, or wool and cotton, should be 15 per cent. and on silk admixtures 20 per cent."

2. As stated by the mover, the main change advocated by the Resolution was the reduction of the rate of duty on artificial silk fabrics and on piece-goods containing an admixture of artificial silk and cotton from 15 per cent. to 11 per cent. *ad valorem.*

3. The Government of India have carefully considered the proposal but, for the reasons given by the Hon'ble Sir George Rainy in his speech at the meeting referred to above, they regret that they are unable to approve it.

IMPORT DUTY ON PATENT AND PROPRIETARY MEDICINES

London Chamber of Commerce,
London, 30th June, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—I am requested to address you on behalf of the Owners of Proprietary Articles Section of this Chamber, which includes a large majority of the Manufacturers or Owners of the leading Proprietary and Patent Medicines sold in and exported from Great Britain.

These medicinal preparations have been found to be of great value to people living in remote districts, for the alleviation of simple ailments, where medical attendance is not easily procurable, and they meet an admitted need.

I am informed that the products of the leading manufacturers of Pills, Ointments, Medicinal Salts and the like are regularly purchased by members of both the European and native population of India.

Some apprehension has been aroused by a report, that, it is possible, in the near future, that a proposal may be submitted to the Supreme Legislature of India, having for its object the imposition of a duty upon Patent and Proprietary Medicines imported into and sold in India, presumably upon a graduated scale similar to that which obtains in Great Britain.

It may be assumed that the fact that this duty is levied in Great Britain without any apparent objection on the part of the consumer, would constitute one of the main arguments in favour of a similar imposition in India.

The population of Great Britain is, on the whole, in a position to bear this duty, which is not sufficient to prevent consumers from purchasing those articles to which they have long been accustomed, and from which they may be assumed to have obtained substantial benefit.

The members of this Section venture to suggest that the imposition of any duty which would naturally increase the price to the consumer, would have the effect of immediately decreasing sales, owing to the inability or unwillingness of the Indian consumer to pay the increased price.

It may be within your knowledge that a similar duty on Patent and Proprietary Medicines has in the past been levied both in the Union of South Africa and in the Dominion of Canada, and that in both cases it had subsequently to be withdrawn.

Whether the proposal referred to is seriously contemplated or otherwise, the members of this Section have thought it well to communicate to your own and other leading Chambers of Commerce in India, their reasons for considering it to be undesirable and unnecessary, and I am to express the hope that, should occasion arise, your Chamber may be prepared to lend its support to the opposition which will no doubt be manifested by the importers, the sellers, and the consumers of the articles in question.

I have, etc.,
A. DE V. LEIGH,
Secretary.

The Associated Chambers of Commerce of India and Ceylon, Calcutta, 25th July, 1928.

TO ALL MEMBERS OF THE ASSOCIATION.

SIRS,—I am directed by the President to invite an expression of the views of your Chamber on the points raised in the subjoined copy of a letter, dated 30th June 1928, from the London Chamber of Commerce on the above subject.

I have, etc.,
D. K. CUNNISON,
Secretary.

Chamber of Commerce, Madras, 2nd August, 1928.

TO THE SECRETARY, LONDON CHAMBER OF COMMERCE,
London.

SIR,—I have to acknowledge your letter of the 30th June, 1928, in regard to a proposal to impose an import duty on Patent and Proprietary medicines and to advise you that this matter will receive the careful consideration of this Chamber if and when any such proposal is put forward by the Government.

I have, etc.,
C. H. BROCK,
Secretary.

Chamber of Commerce, Madras, 2nd August, 1928.

TO THE SECRETARY, ASSOCIATED CHAMBERS OF COMMERCE OF INDIA AND CEYLON,
Calcutta.

SIR,—With reference to your letter of the 25th July, 1928, I forward for your information copy of a letter addressed to the London Chamber of Commerce.

I have, etc.,
C. H. BROCK,
Secretary.

MONTHLY STATEMENT OF IMPORTS AND EXPORTS.

Custom House,
Madras, 20th January, 1928.

To the Secretary, Chamber of Commerce,
Madras.

Sir,—I have the honour to address you on the subject of the Monthly Statement of Imports and Exports for Madras Port with supplement for outports.

2. By reason of paucity of subscribers this publication can only be issued at a loss and I, therefore, propose to discontinue it altogether unless very strong and cogent reasons exist for its retention. In support of the discontinuance I may point out that so far as Madras Port is concerned, monthly statistics of trade for any particular article can be readily compiled from the Daily Lists.

3 As regards the Outports, there is not the same facility for the collection of monthly statistics since no Daily Lists are published. It does not, however, appear that firms are much interested in the Outports trade as there are very few subscribers for the monthly publications and the advantages of issuing them appear disproportionate to the cost and labour involved in their compilation and printing. If necessary, arrangements can be made to exhibit daily on notice boards at each of the important Outport Custom Houses all the principal articles of Import and Export. Further, the discontinuance of the monthly publications might make it possible to reduce to some extent the existing rates of subscription for other publications.

4. In this connection, I may state that the monthly statistics relating to the principal articles of Import and Export of the Madras Presidency can be obtained from the monthly accounts of the Seaborne trade and Navigation of British India published by the Director-General of Commercial Intelligence, Calcutta.

5. I shall be glad to have the views of your Chamber in the matter at your early convenience.

I have, etc.,
T. A. Stewart,
Collector of Customs.

Chamber of Commerce, Madras, 15th February, 1928.

To the Collector of Customs,
Madras.

Sir,—I have to acknowledge your letter, dated 20th January, 1928, in which you state your Department proposes to discontinue the publication of the Monthly Statement of Imports and Exports for Madras Port with Supplement for Outports.

The Chamber after carefully considering your proposal is strongly of opinion that the publication of the Monthly Statement in question should not be discontinued. Its value, and interest for the information afforded therein to the Mercantile community in regard to the particular subject with which it deals, is considerable and the Chamber considers it would be a most retrograde step on the part of the Customs Department to abolish this Statement.

The point is further advanced in this connection that, where official publications of such a description render an acknowledged public service to the community at large, their production should not be regarded by the Government solely from a Profit and Loss aspect but due allowance should be made, in considering the question of their cost, for the public utility purposes they serve.

Although as you point out much of the information contained in the Monthly Statement could be extracted through other channels, this Chamber does not consider that the compiling of records of this nature should depend on private enterprise but that such records should carry with them the authority of a Government Publication.

On every consideration, therefore, I am to state the Chamber is opposed to the change indicated.

I have, etc.,
O. P. Chetty,
Asst. Secretary.

LATE MR. W. J. K. HEGARTY.

Chamber of Commerce, Madras, 2nd November, 1928.

To the Manager, National Bank of India, Ltd.,
Madras.

Sir,—At the Monthly General Meeting of the Chamber held on the 30th ultimo, it was resolved to convey to you an expression of the sympathy of the Madras Chamber in the loss sustained by you by the untimely death on Friday the 26th October, of Mr. W. J. K. Hegarty, the General Manager of your Bank in London, who was formerly a member of the Madras Chamber.

I have, etc.,
C. H. Brock,
Secretary.

National Bank of India, Ltd., Madras, 2nd November, 1928.

To the Secretary, Chamber of Commerce,

Madras.

Sir,—We are in receipt of your letter of date advising us that at the Monthly General Meeting of the Chamber held on the 30th ultimo it was resolved to convey to the Bank an expression of the sympathy of the Madras Chamber in the loss sustained by the Bank by the untimely death on Friday 26th October of Mr. W. J. K. Hegarty, the General Manager of the Bank, who was formerly a member of the Madras Chamber.

Your letter has been received with grateful thanks and a copy will be forwarded to our Head Office by the first mail.

I have, etc.,

W. H. H. Grahame,

Manager.

---o---

MADRAS COMMERCIAL HOLIDAYS, 1929

[*Abstract from G. O. No.* 1000, *Press, dated the 7th November*, 1928]

Under the explanation to Section 25 of the Negotiable Instruments Act, 1881 (Act XXVI of 1881), His Excellency the Governor in Council has declared that, in addition to the public holidays expressly defined as such in the said explanation, *viz.*, Sundays, New Year's day (Tuesday, the 1st January), Good Friday (29th March), and Christmas Day (Wednesday, the 25th December), the following days shall be holidays in the year 1929 :—

Bogi Pandigai.—Saturday, the 12th January.

Maha Sivaratri.—Saturday, the 9th March.

Ramzan.—Wednesday, the 13th March.

Easter.—Saturday, the 30th March & Monday, the 1st April.

Telugu New Year's Day.—Wednesday, the 10th April.

Tamil New Year's Day.—Saturday, the 13th April.

Solar Eclipse.—Thursday, the 9th May.

Bakr-id.—Monday, the 20th May.

King-Emperor's Birthday.—One day in June to be notified.

Muharram (last day).—Tuesday, the 18th June.

Avani Avittam.—Tuesday, the 20th August.

Sri Jayanti.—Wednesday, the 28th August.

Vinayakachathurthi.—Saturday, the 7th September.

Mahalaya Amavasai.—Wednesday, the 2nd October.

Ayudha Puja.—Saturday, the 12th October.

Dipavali.—Thursday, the 31st October.

Christmas.—Thursday, Friday, Saturday, and Tuesday, the 26th, 27th, 28th and 31st December.

Note.—No days are notified as holidays for the following as they fall on Sundays :

Pongal.—13th January.

Bara-Wafat.—18th August.

Charter Party Holidays.—The holidays set out above, subject to any alteration made by Government, have been fixed by the Chamber of Commerce, Madras, as holidays under Charter-Parties for the year 1929.

Chamber of Commerce, *Madras*, 9*th Nov.*, 1928.

C. H. BROCK, *Secretary.*

MADRAS CHAMBER OF COMMERCE.

Balance Sheet as at 31st December, 1928.

LIABILITIES.	Rs.	A.	P.	Rs.	A.	P.
SUNDRY CREDITORS				117	8	0
GENERAL FUND—						
Balance as per last Balance Sheet	38,792	12	4			
Add Excess of Income over Expenditure for the year...	889	12	11	39,682	9	3
Rs				39,800	1	3

ASSETS.	Rs.	A.	P.	Rs.	A.	P.
CASH AND OTHER BALANCES—						
At Bank	5,410	2	4			
On hand	23	2	2	5,433	4	6
INVESTMENTS—						
Rs. 12,500—3½ per cent. Government Bonds at cost	7,275	0	0			
Rs. 6,000—6 per cent. 1931 Government Bonds at cost						
Rs. 13,000—6 per cent. 1932 Government Bonds at cost	19,322	8	0			
Rs. 5,000—5 per cent. Government Bonds 1944-45 at cost	5,143	12	0	31,741	4	0
INTEREST ACCRUED ...				533	8	9
LOAN				120	0	0
YARN-TESTING APPARATUS AT COST				1,375	10	0
FURNITURE—						
As per last Balance Sheet .	1,381	9	0			
Less Depreciation to date...	785	3	0	596	6	0
Rs.				39,800	1	3

H. WADDINGTON,
Secretary.

MADRAS 14*th January*, 1929

We report that we have audited the Balance Sheet of the MADRAS CHAMBER OF COMMERCE, as at 31st December, 1928, and above set forth and have obtained all the information and explanations we have required.

In our opinion such Balance Sheet exhibits a true and correct view of the state of the Chamber's affairs according to the best of our information and the explanations given to us and as shewn by the books of the Chamber.

FRASER & ROSS.
Chartered Accountants.

MADRAS CHAMBER OF COMMERCE.

Income and Expenditure Account for the year ending 31st December, 1928.

EXPENDITURE.	RS.	A.	P.	Rs.	A.	P.	INCOME.	Rs.	A.	P.
To Printing Charges ...	2,092	12	0				By Subscriptions	17,410	0	0
,, Office Establishment ...	14,932	8	0				,, Publications	717	2	0
,, Office Rent and Telephone	3,243	3	8				,, Registration Fees...	2,364	5	0
,, Postages and Telegrams	443	1	6				,, Reference Fees	32	0	0
,, Books and Periodicals ...	180	13	0				,, Certificate of Origin	307	8	0
,, Stationery	325	2	9				,, Arbitration and Surveys	220	4	0
,, Advertisement	101	0	0				,, Employers' Federation	2,400	0	0
,, Sundry Expenses ...	356	15	8				,, Entrance Fee	1,300	0	0
,, Affiliation charges ...	2,146	8	6				,, Interest	1,783	9	6
,, Legal and Audit Fees ...	734	8	0				,, Inspection Fees	124	0	0
,, Travelling Expenses ...	845	6	0							
,, Electric Light and Fan...	99	0	0							
,, Repairs	29	14	0							
,, Donation (Indian Science Congress) ...	100	0	0							
,, Depreciation on Furniture	138	2	6							
,, Excess of Income over Expenditure ...	889	12	11							
Rs.				26,658	12	6	Rs.	26,658	12	6

RULES AND REGULATIONS
OF THE
MADRAS CHAMBER OF COMMERCE

(*As amended in December,* 1927.)

1. That the Madras Chamber of Commerce is formed with a view to watch over and protect the interests of Trade; to receive and collect information on all matters of mercantile interest bearing upon the removal of grievances and the promotion of the common good; to communicate with authorities and with individual parties thereupon; to receive references on matters of custom or usage in doubt or dispute, deciding on the same and recording the decision made for future reference; and to form by that and other means a code of practice whereby the transactions of business by all engaged in it may be simplified and facilitated.

2. That all merchants and other persons of British nationality engaged or interested in the general Trade, Commerce or Manufactures of the Madras Presidency be eligible as members; but persons of British nationality belonging to a foreign firm shall for the purpose of these rules be regarded as foreign and shall be eligible only for Associate Membership on the terms stated below. Any Assistant signing a Firm, or signing per procuration for a Firm, shall be eligible for election as a Member. Members who, during their absence from Madras, pay the regular subscription may be represented in the Chamber by the holders of their Powers-of-Attorney, as Honorary Members, subject to ballot, provided that such representative is himself of British nationality and is not employed by an alien firm. But if the subscription has been dropped at any time during the absence of a member this privilege cannot be enjoyed until the subscription has been paid. Honorary Members elected under this Rule are entitled to vote and exercise all the privileges of ordinary members.

Merchants and other persons of alien nationality engaged or interested in the general trade, Commerce or Manufactures of the Madras Presidency after being duly proposed and seconded may be elected as Associate Members of the Chamber on payment of a monthly subscription of Rs. 30, paid monthly. Associate Members elected under this Rule shall not be entitled to vote and exercise the privileges of ordinary members. They shall, however, be entitled to attend and speak, but not to vote, at any Ordinary Meeting of the Chamber and on the invitation of the Chairman or Vice-Chairman may attend under like conditions any Special Meeting of the Chamber or ordinary or special

Meeting of the Committee. The privileges accorded to an Associate Member may be withdrawn at any time by a majority of votes recorded at a Special General Meeting of the Chamber without any reason being assigned.

3. That persons desirous of joining the Chamber shall be proposed by one Member and seconded by another and notice of same shall be entered in the ballot book. The names and designation of persons desirous of joining the Chamber with the names of proposers and seconders, shall be advised to Members of the Chamber at least 7 clear days before the ballot takes place. The election shall be by ballot on such day as the Committee for the time being may appoint. Voting papers will be issued to members and the ballot-box placed in the Chamber room from 10 A.M. to 5 P.M. of the appointed day but the time for voting shall, on days when the Meetings of the Chamber are held, be extended to such period of the Meeting as shall be determined by the Chairman thereof. A ballot will not be valid unless a minimum of 15 votes are recorded and one negative vote in 5 shall exclude from membership.

4. That voting by proxy be not allowed, nor by Members whose subscriptions shall be in arrear.

5. That the power of expulsion of Members be reserved to the Chamber, to be decided by ballot by a majority at a Special General Meeting convened for that purpose.

6. That the executive duties of the Chamber shall be conducted by the Chairman with the assistance of the Committee, and that all matters of importance be referred for the decision of the general body of subscribers, who shall be called together as often as is necessary by the Chairman, but not less frequently than once a month. Five to form a quorum.

7. That the Chairman shall on all occasions have a casting vote in addition to his own vote as a Member of the Chamber.

8. That every Member on election shall pay an entrance fee of Rs. 100, provided that Banks, Corporate Bodies and Mercantile firms may be represented on the Chamber by one or more Members, and shall be liable for an entrance fee of Rs. 100 once in 10 years for each.

9. That the subscription of Members shall not exceed Rs. 300 per annum, payable quarterly in advance, subject to reduction from time to time in accordance with the state of the Chamber's finances. Absentees in Europe to pay no subscription. Members and Associate Members temporarily absent from Madras to pay Re. 1 per month.

10. That the price of all publications issued by the Chamber shall be doubled to those persons who are not represented on the

Chamber, or who are not subscribing Members or Associate Members, provided that firms whose representatives on the Chamber are all out of India may secure the continuance of its privileges by a subscription of Re. 1 per month.

11. That if any Member or Associate Member allow his subscription to fall into arrear for more than one quarter without sufficient reason his name shall be expunged from the list of Members. Members who have retired may rejoin the Chamber without ballot or entrance fee.

12. That the funds be paid as realised into the Imperial Bank of India, and shall be available by cheques signed by the Chairman or, in his absence, by the Vice-Chairman, or in his absence by a Member of the Committee. The accounts shall be audited annually.

13. That the ordinary expenditure be at the discretion of the Chairman, and that extraordinary expenditure be made by him with the sanction of the Committee.

14. A Secretary shall be appointed by a majority of Members in such way as the Committee for the time being may direct; and it shall be the duty of such Secretary to keep the records and accounts of the Chamber, to collect subscriptions, to conduct correspondence, and to act generally under the directions of the Committee.

15. That an Annual General Meeting, at which representatives of the Press may be present, be held during the second week of December, or as near thereto as convenient, at which the Chairman for the following year shall be elected, the retiring Chairman becoming Vice-Chairman. In case of the Chairman's re-election, a new Vice-Chairman shall be elected. That votes recorded for Members as Chairman shall count for the Vice-Chairmanship, and votes recorded for Members as Chairman or Vice-Chairman shall count for the Committee should such Members not be elected as Chairman or Vice-Chairman. The Vice-Chairman shall conduct the duties of Chairman during the absence of the latter.

16. That at the Annual General Meeting a Committee of not less than five Members, the Chairman and Vice-Chairman being *ex-officio* Members, shall be elected to assist the Chairman in the disposal of the business of the Chamber. The representatives of the Chamber on the Legislative Council of the Governor of Madras shall also be ex-officio Members of Committee during their term of office. Not more than one Member of a firm may serve on, or be voted for by the same voter for, the Committee. Any Member of the Committee who may leave India, except for, Ceylon, shall be considered to have vacated his appointment.

17. That at the Annual General Meeting an Imports Sub-Committee, Exports Sub-Committee and a Skins and Hides Sub-Committee be elected, the Sub-Committees each to consist of not less than three Members and not more than one Member of a firm to serve on, or be voted for by the same voter for, the same Sub-Committee. Any Member of the Sub-Committees who may leave India, except for Ceylon, shall be considered to have vacated his appointment, and an election to fill the vacancy so caused shall be conducted according to the Bye-Laws.

18. That Special General Meetings may be convened on the requisition of the Chairman or of any three Members of the Chamber, not being Members of the same firm, notice of the subject of discussion to be given in the requisition calling the Meeting.

19. That a minimum fee of Rs. 5 shall accompany all references to the Chamber.

20. That in the event of any Member or Associate Member of the Chamber taking the benefit of the Act for the relief of Insolvent Debtors he shall thereby cease to be a Member or Associate Member of the Chamber, but will be eligible for re-election without the re-payment of the entrance donation.

21. That persons of distinguished position, Members of other Chambers of Commerce and kindred Associations, and Government and other officials interested in the General Trade, Commerce, or Manufactures of Madras, after being duly proposed and seconded, may be elected Honorary Members of the Chamber without payment of entrance donation, or subscription on election. Notice of same shall be entered in the Ballot Book and circulated among the Members, and the election shall be made by ballot at the first General Meeting of the Chamber held subsequent to the circulation of such notice, or at a Special General Meeting convened for the purpose, a majority of two-thirds of those voting at the Meeting being necessary to secure admission. Honorary Members elected under this Rule are not entitled to vote and exercise the privileges of Ordinary Members. They shall, however, be entitled to attend and speak, but not to vote, at any Ordinary Meeting of the Chamber and, on the invitation of the Chairman, or Vice-Chairman, may attend under like conditions any Special Meeting of the Chamber, or Ordinary or Special Meeting of the Committee.

22. That Mofussil Chambers of Commerce and any recognised Association or Corporate Body engaged in or interested in the General Trade, Commerce or Manufactures of the Madras Presidency be eligible as Members. Any such Chamber or Association so elected shall be entitled, in the person of its Chairman, or any of its individual Members, to exercise all the privileges of Ordinary Members, and have the right of one vote. Any such Chamber or Association shall be considered as if it were an

individual Member. It shall pay no entrance fee but an annual subscription of Rs. 50. Any member of an affiliated Chamber or Association shall have the privilege of attending all meetings of the Chamber with a right of entering into the discussions, but one member only of each affiliated Chamber or Association shall have power to vote.

BYE-LAWS

For the Election of the Chairman, Vice-Chairman, Committee Representatives of the Chamber on the Port Trust.

1. The election shall be by ballot on such day as the Committee of the Chamber for the time being shall appoint.

2. The Secretary of the Chamber shall circulate among the Members the names of all the gentlemen who are eligible for election seven clear days before the election takes place.

3 Those Members eligible for election shall be partners in Firms, Agents or Managers of Banks, and other Corporate Bodies, and those who are Members in their own right.

4. The voting shall be by ballot, the voting papers being placed in the ballot-box, which shall be placed in the Chamber's room from 10 A.M. to 5 P.M. of the appointed day, but the time for voting shall, on days when Meetings of the Chamber are held, be extended to such period of the Meeting as shall be determined by the Chairman thereof.

5. The ballot-box shall be opened by the Chairman or, in his absence, by the Vice-Chairman, and the Secretary on the evening of the appointed day, or as soon after as possible, and the result of the ballot declared forthwith.

6. The gentleman who has received the largest number of votes shall be declared duly elected, but in the event of an equality of votes for two or more Members, the names of those Members shall be disclosed and a fresh ballot be held to decide election as between them.

7. In the event of a casual vacancy, the above course shall be followed in electing a Member to fill the vacancy.

8. In the election of the Chamber's second Member on the Legislative Council to be known as the Mofussil Member, the Mofussil Chambers of Commerce which have become Members of the Madras Chamber of Commerce shall alone take part. Every Member of the said Mofussil Chambers shall be entitled to vote, and the said Mofussil Chambers shall from time to time furnish a list of their Members to the Madras Chamber which list shall comprise the electoral roll. The Madras Chamber shall send the requisite number of voting papers to the Mofussil Chambers which will distribute the same to their Members. These latter will return the voting papers under sealed cover, direct to the Madras Chamber.

RULES FOR ELECTION TO THE CORPORATION OF MADRAS

Rules for the election of Councillors of the Corporation of Madras by the Madras Chamber of Commerce.

1. The three Councillors to be elected by the Chamber of Commerce under clause (b) of Sub-Section (1) of Section 5 of the Madras City Municipal Act, 1919, shall be elected by the votes of the Members of the said Chamber of Commerce under the following rules.

2. The election shall be held on such day before the date on which the Governor in Council notifies that the appointments must be reported to the Government, as the Committee of the Chamber for the time being shall appoint, but not less than seven clear days' notice of the date of election shall be given.

3. The voting shall be by ballot; and the ballot-box shall be placed from 10 A.M. to 5 P.M. of the appointed day in the room in which the meetings of the Chamber are usually held; but if the appointed day is a day on which a meeting of the Chamber is held, the time for voting may be extended to such period of the meeting as the Chairman thereof shall determine.

4. The ballot-box shall be opened by the Chairman or, in his absence, the Vice-Chairman and the Secretary on the evening of the appointed day, or as soon after as possible, and the result of the ballot declared forthwith.

5. Each Member of the Chamber shall be entitled to vote for as many candidates as there are vacancies to be filled, but no Member shall be at liberty to give more than one vote to the same candidate. Any ballot paper on which votes are given for more candidates than there are persons to be appointed, or on which more than one vote is given to the same person, shall be invalid.

6. In the event of a casual vacancy, the above procedure of votes shall be declared duly elected; but in the event of there being an equality of votes in favour of more candidates than there are vacancies to be filled, a fresh ballot shall be taken between the said candidates for whom equal votes have been cast. If on the second ballot, a tie is again declared, the Chairman shall have a casting or deciding vote.

7. The names of the candidates declared duly elected shall be forthwith reported to the Government for the publication of the election, if otherwise valid, in the *Fort St. George Gazette.*

8. In the event of a casual vacancy, the above procedure shall be followed in electing a Member to fill the vacancy.

RULES FOR THE REGISTRATION OF TRADE MARKS

(*As amended in March,* 1920.)

The following Rules for the registration of trade marks, tickets, etc., in its Trade Mark Register have been adopted by the Madras Chamber of Commerce :—

(1) That each firm represented on the Chamber shall pay an entrance fee of Rs. 10, and be entitled to register an unlimited number of tickets or marks.

(2) That non-members of the Chamber shall pay a fee of Rs. 10 for each application for registration, and that in the event of a ticket or mark not being accepted for registration, the sum of Rs. 5 shall be refunded.

(3) That before any ticket or mark is registered it shall be circulated to all members of the Chamber resident in Madras, after which the Chamber at its next monthly meeting shall decide whether or no the ticket or mark shall be accepted for registration, and no reason shall be assigned for that decision.

(4) That no trade mark or ticket shall be registered on behalf of an Indian firm trading under a European name.

(5) That registration is merely evidence of the date of registration by the Chamber and cannot secure any right which the parties registering have not at law.

(6) That the Register shall be open to the inspection of any person not a member of the Chamber on payment of a fee of Re. 1.

DATE OF SHIPMENT

The Chamber considered the question of what evidence should be accepted as to date of shipment, and at the General Meeting held on the 27th June, 1911, it was resolved that the following Clause—which had been recommended by the Manchester Chamber of Commerce for adoption by the Bombay Native Piece-Goods Merchants' Association—should be recommended to Members of this Chamber for incorporation in their contracts :—

Either Bill of Lading date, or the date of Manchester Ship Canal Co.'s Certificate, or (in the case of goods to be shipped from any Port other than Manchester) the date of Dock, Railway or Shipowners' Certificate of receipt for shipment, shall be conclusive evidence as to the date of shipment.

UNIVERSITY LIBRARY

RULES REGARDING ARBITRATION

As adopted at the Monthly General Meeting on the 29th November, 1927, and As amended at a Meeting on the 28th February, 1928.

1. The Chamber may accept any application for the settlement of disputes by means of arbitration, and arrange for the conduct of such arbitration proceedings. The Chamber reserves to itself the right to refuse any such application without stating any reason for so doing.

2. All arbitrations shall be conducted and carried out in accordance with and subject to the provisions of the Indian Arbitration Act and the Schedule thereof.

3. An Arbitration and Survey Committee, hereinafter called the Committee, shall be appointed each year at the Annual General Meeting of the Chamber to attend to all matters connected with arbitration proceedings. Any members of the Committee who may leave Madras for a period exceeding two months shall be considered to have vacated his appointment. All casual vacancies occurring shall be filled by election conducted according to the Bye-laws of the Chamber. The Committee shall consist of the Chairman of the Chamber, or a person nominated by the Chairman to represent him, and 9 members of the Chamber and when so appointed shall forthwith appoint a panel of arbitrators to undertake arbitrations held under the auspices of the Chamber. The Committee may revise or add to the said panel at any time, and the gentlemen whose names appear on such panel need not necessarily be members of the Chamber. Two members of the Committee shall form a quorum at any meeting.

4. All applications for the holding of an arbitration through the auspices of the Chamber shall be in writing and in the forms annexed hereto and signed by both parties to the dispute stating clearly the subject matter of the dispute, the specific questions to be decided, and if the arbitration is to be carried out by one or two arbitrators, Provided that in a case where the contract between the parties contains an agreement for submission of disputes to the arbitration of the Chamber and one of the parties neglects or refuses to sign the application the Chamber may act on an application signed by the other party alone.

5. The application shall be accompanied by the sum of Rs. 35 being the fee payable to the Chamber for entertaining the said application if either applicant is a member of the Chamber, and Rs. 70 if neither applicant is a member of the Chamber,

together with a deposit of Rs. 75 for each arbitrator and umpire towards the cost and expense of the arbitration to be decided by the arbitrators.

6. On receipt of such application the Committee shall appoint the arbitrator or arbitrators to deal with the matter in dispute and to prepare a deed of submission to arbitration to be entered into by the parties concerned, and shall submit the same to such parties for approval and completion as soon as convenient and shall fix the fees. Provided that where one party alone has signed the application in accordance with the proviso to clause 3 no deed of submission shall be required.

7. On receipt of such deed of submission duly completed or application as aforesaid the arbitrator or arbitrators, as the case may be, shall forthwith proceed to enter on the arbitration in accordance with the provisions of the Indian Arbitration Act and the Schedule thereof, and complete such proceedings as speedily as possible.

8. As soon as the award resulting out of such proceedings has been promulgated, the arbitrator or arbitrators shall submit the same to the Committee, who shall forthwith notify the parties concerned who will then be at liberty to obtain such award on payment of all costs, charges and expenses, as may have been incurred and certified by such arbitrator, arbitrators, or umpire less the amount paid as deposit under Rule 4 hereof.

9. Minute Books shall be kept by the Committee and therein shall be recorded all details relating to each arbitration carried out through the Chamber, together with a copy of the deed of submission to arbitration and the award issued thereon. Such books shall be circulated to the Committee as soon as the award of each arbitration has been entered therein and shall be open to the inspection of all members of the Committee during usual office hours.

10. No person shall be appointed to act as an arbitrator who is in any way connected with the parties concerned in the dispute or the subject matter thereof.

FORM OF APPLICATION FOR ARBITRATION

Madras..............................192 .

THE SECRETARY,

CHAMBER OF COMMERCE,

Madras.

DEAR SIR,

I/We the undersigned request you to arrange, subject to the rules of your Chamber, for the appointment of

Arbitrator/Arbitrators to determine the dispute between us arising out of a contract made between us on the day of

192 , and issue an award in respect thereof. The main facts of dispute are as follows :—

and the question/questions arising for the decision of the Arbitrator/Arbitrators is/are

I/We enclose herewith a copy/copies of the contract and if you agree to my/our request please send me/us the draft deed of submission to arbitration for approval and completion

I/We also enclose herewith Rs. being the fee payable along with this application.

Yours faithfully,

FORM OF SUBMISSION AND AGREEMENT TO ARBITRATE

AN AGREEMENT made the......................
day of.. 192 .

BETWEEN of the one part

and of the other part

Here recite nature of documents or other matter over which dispute has arisen.

WHEREAS the parties hereto

AND WHEREAS disputes and differences have arisen between the said parties in respect of the said

AND WHEREAS in order to put an end to the said differences and disputes the said parties have agreed to refer the same to Arbitration

NOW IT IS HEREBY AGREED between the parties hereto as follows:—

1. All questions in difference between the parties hereto touching the matters hereinbefore in recital mentioned and all other questions arising out of the said

subsisting between the parties hereto or otherwise, howsoever, are hereby referred to the award and final determination of

and

If the parties do not require an Umpire appointed these lines should be struck out.

or in case of their disagreement to their umpire to be appointed by writing under their hands before they enter upon the consideration of the matters referred.

2. The parties hereto shall within. . . . days of the completion and execution of these presents submit to the said arbitrators statements in writing setting forth their respective contentions on the points in dispute and their reasons therefor.

3. The award of the said arbitrators or their umpire concerning the above shall be made and published in writing ready to be delivered to the said parties hereto or either of them on or before the day of or any later day to which the said arbitrators or their umpire may be writing under their or his hand endorsed on these presents from time to time enlarge the time for making their or his said award.

4. The parties hereto and their respective representatives will in all respects abide by, observe, perform and obey the said award to be made and published as aforesaid.

5. The parties hereto respectively will do all acts necessary to enable the arbitrators or their umpire to make their or his award herein and neither of them will wilfully or wrongfully do or cause to be done any act to delay or prevent the arbitrators or their umpire from making their or his award. And if either of the parties shall wilfully or wrongfully do or cause to be done any such act as aforesaid he shall pay to the other party such costs as the arbitrators or their umpire may in writing declare to be reasonable.

6. The abitrators or their umpire shall have general authority to require from either of the said parties such written statements and explanations and other information evidence and materials as they or he may deem expedient for determining the matter in difference.

7. In case either party refuse or fail after reasonable notice to attend either personally or by counsel or solicitor before the arbitrators or their umpire at any meeting which they or he may appoint it shall be lawful for them or him to proceed *ex parte* as effectually as if such party were present.

8. The costs of and concerning this reference and award including the expenses (if any) of the said arbitrators or their umpire shall be in the discretion of the said arbitrators or their umpire who shall direct by whom and in what manner the same shall be paid.

9. The provisions of the Indian Arbitration Act so far as is consistent herewith shall be deemed to be incorporated herein.

AS WITNESS the hands of the parties hereto.

NOTES RE: THE CONDUCT OF ARBITRATIONS

1. The Arbitrator or Umpire has the following powers:—

(*a*) To administer oaths to the parties and witnesses appearing before him;

(*b*) To state a special case for the opinion of the Court on any question of law arising out of the Reference and necessary to be decided for the purpose of determining the issue between the parties; and to take legal opinion on any point arising out of the arbitration;

(c) To correct any clerical mistake or error in the award arising from an accidental slip or omission;

(*d*) To extend the time for making an award; and

(*e*) To direct to whom and by whom and in what manner the costs of the Reference and award should be paid.

2. The Arbitrator or Umpire must hear both the parties and take the evidence in the presence of each other before making an award.

3. The Arbitrator or Umpire should appoint the time and place at which the arbitration is to be held and in fixing the time and place must as far as possible consult the convenience and wishes of the parties. It is, however, within his discretion to fix such time and place as he may think proper.

4. The Arbitrator or Umpire should give due notice to the parties of the time and place at which the arbitration is to be held.

5. The Arbitrator or Umpire ought not to hear one party in the absence of and without notice to the other parties. If after due notice has been given to the parties one of them refuses to attend, the Arbitrator may proceed with the Reference in his absence and make an award *ex parte*. Such an award may, however, be set aside by the Court if the defaulting party can show a reasonable excuse for not attending at the time and place appointed by the Arbitrator.

6. When the Reference is to two Arbitrators or Umpire the powers of the Umpire do not arise unless and until the Arbitrators are unable to agree.

7. Where the submission provides, in case of disagreement between the Arbitrators, for an Umpire to decide the matter, the Umpire may and in practice usually sits with the Arbitrators from the commencement of the Reference as a matter of convenience in order to avoid all the evidence being repeated before him in case it becomes necessary to exercise his powers. Otherwise the Umpire must re-hear the evidence before he makes the award unless the submission empowers him to decide on the evidence taken by the Arbitrators.

8. It is not advisable for an Arbitrator or Umpire to consult persons with expert knowledge or skill on questions arising in the course of the Reference except with the knowledge and consent of the parties.

9. The Arbitrator or Umpire cannot delegate to another the powers which the parties have by their submission conferred on him. When the Reference is to several Arbitrators they may not even delegate the powers to one another. When the Reference is to more than one Arbitrator all the Arbitrators must concur in making the award unless the submission provides that the decision of the majority shall be binding.

10. The parties can issue summons and subpœnas through the Court for the production of witnesses and books and documents which relate to the matters in question in the Reference. The Arbitrator or Umpire can require the parties to produce relevant books, documents and papers.

11. The Arbitrator must make the award within the time prescribed in the submission and if no time is fixed within three calendar months after entering on the Reference or after having been called upon to act by a notice in writing by any party to the submission or on or before any later date to which he may have from time to time extended the time for making the award.

12. Any extension of time must be in writing and must be signed by the Arbitrator or Arbitrators. If the original or extended time has expired before the award has been made the Arbitrator or Arbitrators have no powers to further extend the time.

13. Where the Reference is to two Arbitrators and an Umpire and on a disagreement of the Arbitrators, the Umpire has to decide the matter in issue, the Umpire must make his award within one calendar month after the original or extended time for making the award of the Arbitrators has expired or on or before any later date to which the Umpire may from time to time extend the time for making this award. Any such extension by the Umpire must be in writing and must be signed by him.

The Umpire has no power to extend the time after the time for making his award has expired. See Schedule I Rule 5 of Indian Arbitration Act.

14. The Arbitrator or Umpire may state a special case for the opinion of the Court at the request of the parties to the Reference. If he refuses to state a case at the request of a party and if it appears to the Court that the question of law on which its opinion is desired is material to the issue between the parties the Court can compel the Arbitrator or Umpire to state a case for its opinion. A provision in the submission that neither party shall apply to the Court to direct the Arbitrator or Umpire to state a case is of no effect. If the Arbitrator or Umpire refuses to state a special case and if the party requests him to defer making his award until an application has been made to the Court in the matter, the Arbitrator or Umpire should postpone the award for a reasonable time to enable the party to apply to the Court.

15. Where a submission is contained in a written agreement and does not express a contrary intention the award of the Arbitrators must be made in writing in such form and in such language as the Arbitrator or Umpire thinks fit unless the submission itself prescribes the form of the award. It is not necessary to insert recitals in an award or to state the reasons for making the award.

16. The award must determine all the differences which the parties by their submission have referred to arbitration. It should not determine any matters which are not comprised in the submission. The award must be final and a conditional award is bad unless it provides an alternative award in case the condition is not fulfilled.

17. The award is promulgated when the Arbitrator or Umpire gives notice to the parties that it is ready.

18. The Arbitrator or Umpire shall himself fix the amount of his remuneration which shall not exceed the maximum laid down for the time being by the Chamber and the costs of the arbitration and include them in the award stating who shall pay the same. The Umpire may include the fees of the Arbitrators with his own charges as part of the cost of the award and if he does so, he must specify how much of it is in respect of his own remuneration and charges and how much in respect of the fees of the Arbitrator or Arbitrators.

19. The Arbitrator or Umpire has a lien on the submission and award for the amount of his charges. Notice should be given to the parties that the award is promulgated and that the same can be obtained on payment of all costs and charges.

The lien does not extend to the documents handed to the Arbitrator or Arbitrators or Umpire in the course of the Reference.

20. An award based on the Arbitrators' own knowledge of the facts apart from the independent evidence with regard to matters in issue between the parties is invalid unless the Arbitrator is authorised by the submission to act and decide on his own information.

21. The Arbitrator or Umpire can make only one award in respect of all the matters referred to him for decision unless he is authorised to make more than one award by the terms of the submission.

22. The Arbitrators, if more than one, must sign and execute the award at the same time in the presence of each other.

23. If no other mode of Reference is provided in the submission the Reference shall be to a single Arbitrator. If the Reference is to two Arbitrators they may appoint an Umpire at any time within the period during which they have power to make the award.

HINTS TO ARBITRATORS AND UMPIRES

Arbitrators and Umpires are asked to note that once a dispute is placed in their hands they are the sole judges of it, and that their Award once signed is final and cannot be reconsidered or amended except at the request of both parties to the Arbitration.

It is irregular for any one to tender to the Arbitrators or Umpires unsolicited advice or, unasked, to attempt to influence their Award, but the Arbitrators and Umpires are at liberty, to consult solicitors or with the consent of both parties to the Arbitration, to consult others on their own initiative before making their Award, and when points of doubt or difficulty arise the Arbitration Committee of the Chamber will be glad to give Arbitrators and Umpires who consult it every assistance in its power.

The following hints are put forward merely as suggestions with the idea that they will help to secure uniformity and that confidence, in the Chamber's Arbitration Awards among merchants and dealers at Home and in India, which is so desirable.

1. The terms of Awards should be as brief as possible. Arbitrators should detail in full at the end of their Award the documents (stating whether original or copies), samples, and other evidence placed before them on which they have based their Award.

2. It is advisable to give an allowance to cover all the relief necessary rather than to break up such allowance under different heads, unless specially asked for.

3. Arbitrators and Umpires may find difficulty in deciding as to whether, owing to a defect, the difference in value justifies cancelment or not. A difference of 10 per cent. and over owing to such defect is frequently regarded as justifying cancelment.

4. Care should be exercised in observing the difference between a Survey and an Arbitration. The former is held for the purpose of obtaining a report on goods in which some defect may exist. In the latter case a definite Award is called for.

5. In framing an Award the terms "Buyer" and "Seller" should be used. The parties to the dispute should not be referred to in general terms, such as "Importer," "Merchant," "Dealer," etc.

6. As a general rule, costs should follow the Award except in such cases where one party has offered the other, in order to settle the matter amicably, and allowance or such other concession at least equal to that awarded by the Arbitrators and Umpires.

Other exceptions to the custom that costs should follow the Award will no doubt occur from time to time, and of course the Arbitrators' and Umpires' decision as to costs is final.

7. It is pointed out that when one or more consignments of a contract are unrepresented among the packages available for inspection either because they have gone into consumption or have not been shipped or have not arrived, the Arbitrators and Umpires should consider on the facts of the case, whether they are justified in assuming that such consignments are likely to suffer from the same defects as or be as correct as the goods examined, and, according to the decision they come to, should state clearly that they make their Award applicable to the whole contract, or only to a portion of it, and if so what particular portion and quantity.

8. If Arbitrators or Umpires, after studying the facts of a case, feel they are unable to take it up, or to give a sound decision, they may decline to act.

9. The question of who is responsible for accrued interest on the value of defective, or alleged defective goods that have been sent to Arbitration is a difficult matter, as it is often governed by clauses in the contract and thus becomes an involved legal point. Arbitrators would, therefore, do well to ignore the question of interest except in such cases where the parties jointly ask for a decision on the point and agree to abide thereby irrespective of the contract clauses (which are usually framed to meet the case of sound goods and become difficult of interpretation when the question of damage arises) or when it is clearly stated in the contract that settlement of the point is left to the Chamber Arbitrators. If the Arbitrators do decide to arbitrate on the point, a broad basis to go on would be to treat interest on the period between the date of first lodgment of the complaint (first written evidence thereof if necessary) and the date of Award or the date on which a correct offer was made by the seller, on the amount in question, and let the payment of it follow the Award in the same way as the cost of the Arbitration.

RULES REGARDING SURVEYS

1. The Chamber may arrange for and conduct the carrying out of surveys on Piecegoods, Yarns, and Merchandise generally. The Chamber reserves to itself the right to refuse any such application without stating any reason for so doing.

2. A Committee, hereinafter called "the Committee," shall be appointed each year at the annual general meeting of the Chamber to attend to all matters connected with surveys. The Committee shall consist of the Chairman of the Chamber or a person nominated by the Chairman to represent him, and 9 members of the Chamber; and when so appointed shall forthwith appoint a panel of surveyors to undertake surveys held under the auspices of the Chamber. The Committee may revise or add to the said panel at any time and the gentlemen whose names appear on such panel need not necessarily be members of the Chamber. Two members of the Committee shall form a quorum at any meeting.

3. All applications for the holding of surveys through the auspices of the Chamber shall be in writing and signed by the party or parties concerned, and shall state specifically the nature and quantity of the goods to be surveyed and the reason why such survey is required.

4. An application for a survey referred to in Rule 3 hereof shall be accompanied with a fee of Rs. 30 payable to the Chamber for entertaining the said application, if the applicant is a member of the Chamber and Rs. 45 if the applicant is not a member of the Chamber.

5. On receipt of such application the Committee shall nominate under Rule 2 hereof, one or two of the gentlemen, selected under Rule 2, to carry out such survey and shall fix his or their fees.

6. On such appointment the surveyor or surveyors shall proceed to carry out the survey. The parties concerned shall produce the goods to be surveyed and such other evidence documentary or oral as may be required on being called upon to do so by the surveyors.

7. On the completion of the survey, the surveyor or surveyors so appointed shall submit their report and finding in writing to the Committee, who on receipt of the fees shall forthwith communicate the same to the parties concerned.

8. A minute book shall be kept by the Committee in which shall be recorded all details relating to each survey carried out through the Chamber together with a copy of the application made to the Chamber and the report and finding made thereon.

MADRAS TONNAGE SCHEDULE

SANCTIONED BY THE CHAMBER OF COMMERCE.

Articles.	Cwt. per Ton Nett.	Cubic Feet per Ton.
Aloes, in bags	20	...
Do. in cases	...	50
Alum	20	...
Arrowroot, in cases	...	50
Assafœtida, in bags	20	...
Do. in cases	...	50
Apparel and Personal Effects	...	50
Bark, in bags and bundles	8	...
Bees' Wax, in bags	20	...
Betel-nut	18	...
Books	...	50
Bone Meal and Crushed Bones	20	...
Bone Sinews, in bales	...	50
Borax, in bags	20	...
Do. in cases	...	50
Brimstone	20	...
Bullion	*Ad valorem.*	
Cake Lac, in bags	16	...
Camphor, in cases	...	50
Cardamoms, in cases	...	50
Do. in bags	10	...
Carpets	...	50
Cassia, in cases	...	50
Do. in bags	12	...
Castor Seed	20	...
Chillies, in bags	12	...
Do. in robbins	14	...
China root, in bags	11	...
Do. in cases	...	50
Chiretta in bales	...	50
Cigars	..	50
Cloves, in bags	8	...
Do. in cases	...	50
Coals	20	...
Cochineal	...	50
Coffee, in bags	18	...
Do. in cases	17	...
Coir Yarn & Fibre, in bales	...	50
Do. in bundles or dholls	10	...
Copra, in bags	12	...
Coriander Seed	20	...
Corundum	20	...
Cotton, in bales	...	50
Cotton Piece-goods	...	50
Do. Yarn	...	50
Do. Seed	20	...

Articles.	Cwt. per Ton Nett.	Cubic Feet per Ton.
Cow & Goat Hair, in bales	...	50
Cowries	20	...
Cutch, in bags	17	...
Divi-divi	20	...
Dholl	20	...
Elephants' Teeth, in cases	...	50
Fenugrik Seed	20	...
Ginger, in bags	12	...
Do. in cases	...	50
Gingelly Seed	20	...
Gram	20	...
Groundnut Kernels	20	...
Do. unshelled	20	...
Gum, in cases	...	50
Do. in bags	20	...
Gunny Bags, in bales	...	50
Do. Cloth	...	50
Hemp, in bales	...	50
Hides, Tanned and Dry	...	50
Do. Fleshings and Cuttings, in bales	...	50
Hoofs, Horn Shavings, and Tips	20	...
Horns, Cow, Buffalo and Deer	20	...
Indigo	...	50
Jute	...	50
Lac Dye	...	50
Leather, in bales	...	50
Linseed	20	...
Mace, in cases	...	50
Machinery	20 or 50 at Steamer's option.	
Magnesite, in bulk or bags	20	...
Metals	20	...
Mica Talc and Mica Splittings, in cases	...	50
Do. Waste, in bags	20	..
Molasses	20	...

Articles.	Cwt. per Ton Nett.	Cubic Feet per Ton.
Motor Car	...	50
Mowra Seed	20	..
Mustard Seed	20	...
Myrabolams	20	...
Niger Seed	20	...
Nutmegs, in cases	...	50
Nux Vomica	20	...
Oats	20	...
Oils (vegetable), in cases ...	20 or 50 at Steamer's option.	
Do. Do. in casks ...	20	...
Do. (essential)	*Ad valorem.*	
Ore, all descriptions ...	20	...
Paddy, in bags	20	...
Palmyra Fibre, in bales ...	...	50
Do. in ballots or bundles ..	10	...
Peas	20	...
Pepper, in bags	16	...
Planks and Deals	...	50
Poonac	20	..
Poppy seeds	20	...
Rape seed	20	...
Raw Silk, in bales	...	50
Redwood for Dunnage ...	20	...
Rhea Fibre, in bales ...	...	50
Rice, in bags	20	...
Ricemeal	20	...
Roping, Coir and other kinds, in coils ...	...	50
Rubber, in cases ...	...	50
Do. Scrap, in bags ...	20	...
Rum, in casks	20	...
Safflower Seed	20	...
Sago, in cases	...	50
Do. in bags	20	...
Saltpetre	20	...
Salt	20	..

Articles.	Cwt. per Ton Nett	Cubic Feet per Ton.
Shark's Fins	16	...
Seed and Stick Lac, in cases	...	50
Do. in bags...	16	...
Senna, in bales ...	...	50
Shells, in bags ...	20	...
Shell Lac, in cases ...	...	50
Do. in bags ...	16	...
Silk Piece-Goods ...	..	50
Do. Waste	...	50
Skins, tanned and dry...	...	...
Do. wet salted and pickled in casks ...	...	50
Soap, Country, in cases...	...	50
Sugar and Jaggery, in bags	20	...
Tamarind, in cases and casks	20	...
Do. in bundles ...	20	...
Tapioca	...	50
Tea	...	50
Timber	20 or 50 at Steamer's option	
Tobacco, in bales ...	...	50
Tortoise Shell in cases ...	...	50
Turmeric, in bags ...	16	...
Wool, in bales ...	...	50
Woollen Cuttings ...	...	50
Silver Plate and valuable cargo ...	*Ad valorem.*	
All other articles, not enumerated ...	20 or 50 at Steamer's option.	

Note.—When cargo is measured prior to shipment, Callipers should be used for measuring, and the Rope or Iron Hoop on the one side of the package should be taken in, and left out on the other side. Half inches should be given and taken alternatively. The Callipers should be laid on the package to be measured and the sliding arm pressed lightly, *i.e.*, without using force, against the side of the package.

C. E. WOOD,
Chairman,
Chamber of Commerce.

MADRAS, 5*th December*, 1923.

SCHEDULE OF LANDING CHARGES AT MADRAS

As passed at the Monthly General Meeting held on the 30th July, 1926.

(*As from* 1st *June*, 1926.)

All foreign and dutiable coasting import cargo up to and including packages of one ton each in weight (20 cwt.) or measurement (50 c.ft.) landed from steamers lying at moorings or at quays pays a consolidated rate of Rs. 2 per ton, which rate includes landing charges and the Port Trust cranage and quay dues. This consolidated rate is collected by the Landing Agents, who refund the Port Trust's charges to them.

The following items are exceptions and are charged for as stated, the rates being for landing charges only, the Port Trust charges being collected by them direct from the Consignees:

Heavy lifts and bulky packages unenumerated below, excluding Motor Vehicles and/or chassis over 1 ton each in weight and/or measurement landed at places other than the berth at which the steamer is discharging direct on to a quay.	Over 1 ton and not exceeding 3 tons weight or measurement.	Rs. 3 per ton of 20 cwt. or 50 c.ft. at Landing Agents' option.
	Over 3 tons and not exceeding 5 tons weight or measurement.	Rs. 4 per ton of 20 cwt. or 50 c.ft. at Landing Agents' option.
	Over 5 tons and not exceeding 10 tons weight or measurement.	Rs. 5 per ton of 20 cwt. or 50 c.ft. at Landing Agents' option.
	Over 10 tons and not exceeding 15 tons weight or measurement.	Rs. 7-8 per ton of 20 cwt. or 50 c.ft. at Landing Agent's option.
	Over 15 tons weight or measurement.	Rs. 13 per ton of 20 cwt. or 50 c.ft. at Landing Agent's option.

Articles.	Unit.	Rate. Rs.	A.	P.
Ammunition and Safety Fuse	per case	0	6	0
ANIMALS—				
Canaries in Cages	per cage	1	0	0
Dogs	each	1	0	0
Elephants	,,	50	0	0
Fowls	,,	0	8	0
Horses and Cattle	per head	16	0	0
Lions, Tigers, Panthers	,,	20	0	0
Parrots	per cage	1	0	0
Peacocks	each	1	0	0
Polar Bears	,,	20	0	0
Sheep and Goats	,,	1	0	0
BALLAST –				
Sand ...	per ton of 20 cwt.	2	8	0
Metal, Rubble, Shingle, Stone ...	,,	1	13	0
Benzoline, Benzine, Benzol in drums ...	per ton of 20 cwt. or 50 c.ft.	2	4	0
Bricks and Tiles (country)	per cwt.	0	1	6
Building and Paving Stones dressed and undressed	per ton of 20 cwt.	1	12	0
Coal	,,	1	12	0
Coke, Charcoal, Cinders and in bulk...	,,	2	4	0
Detonators	per case	0	6	0
Dunnage (Mats, Bamboos, Wood) ...	per ton of 20 cwt. or 50 c.ft.	1	13	0
EMPTIES—				
Fowl Coops	each	1	4	0
Horse Boxes	,,	3	8	0
Kennels	,,	1	8	0
Fireworks	per case	0	6	0
Firewood	per ton of 20 cwt. or 50 c.ft.	1	13	0

Articles.	Unit.	Rate. Rs. A. P.
Kerosene Oil in cases, tins and drums	... per ton of 20 cwt. or 50 c.ft.	1 13 0
Liquid Fuel in drums	,,	1 13 0
Motor Cars, Vehicles and/or Chassis	,,	2 0 0
Motor Cycles Do. with Side Car	If under 1 ton weight or measurement per package	1 13 0
Naptha in drums	... per ton of 20 cwt. or 50 c.ft.	1 13 0
Ores of all kinds	per cwt.	0 1 6
Organs, Pianos, Pianolas	... per ton of 20 cwt. 50 c.ft. if under 1 ton weight or measurement per package	1 13 0
Patent Fuel	... per ton of 20 cwt.	2 0 0
Petrol	... per ton of 20 cwt. or 50 c.ft.	2 4 0
Petroleum	... ... per ton of 20 cwt. or 50 c.ft.	1 13 0
Redwood	... ... per ton of 20 cwt.	1 13 0
Salt (in bags)	... ... per bag	0 3 0
Sand (Cape Comorin)	... ... ,,	0 3 0
Sleepers (Wooden)	... per ton of 20 cwt.	2 4 0
Sulphur in bulk	... ... ,,	2 4 0
Timber (Floatable) in logs, squares, poles, scantling, planks, posts, rafters, beams, etc.	... ... per ton of 50 c.ft.	2 0 0

N.B.—Articles unenumerated and not covered by the consolidated rate shall pay landing charges at rates to be agreed between Consignees and Landing Agents.

H. WADDINGTON,
Secretary.

MADRAS RATES OF AGENCY AND COMMISSION

As passed at the Monthly General Meeting held on the 21st December, 1926.

GENERAL AGENCY BUSINESS	*Per Cent.*
On the total amount of payments and receipts of an account, excepting sums on which a higher Commission has been previously charged, and sums paid for Bills of Exchange on England drawn by the Agent	Half.
On purchasing and selling Bills of Exchange	Half.
On Subscription to Government loans, purchasing, selling, transferring or exchanging Public Securities and Bank Shares	Quarter.
On obtaining enfacement of Government Promissory Notes	One-eighth.
On delivering up Public Securities or lodging them in any of the Public Offices	Quarter.
On negotiating or renewing loan or cash credit at the Imperial Bank of India, or elsewhere	Half.
On receiving and delivering Private Commission of Goods and Merchandise ...	Two & a half.
On charge of House Property and collection of Rents	Five.
On management of Estates for Executors or Administrators, or on becoming Security for Administrators	Two & a half.
For acting in the capacity of Trustee, on the income of the Trust Fund	Two & a half.
On debts, when process of Law or Arbitration is necessary	Two & a half.
If recovered by such means	Five.
On overdue debts collected	Two & a half.
On Bills of Exchange, Notes, etc., dishonoured	One.

	Per Cent.
On all sales or purchases of Goods	Five.
With the following exceptions :—	
On Houses, Lands, and Ships	Two & a half.
On Diamonds, Pearls and Jewellery	Two & a half.
On Treasure and Bullion	One.
On all Goods and Merchandise withdrawn, shipped or delivered to order	Half.
On all other descriptions of property for sale, if withdrawn or otherwise disposed of by the owners	Half.
On goods transferred to Auction or Commission Salesmen	Half.
On investing Proceeds of Sales in goods ...	Two & a half
On guaranteeing Sales, Bills, Bonds, Contracts for goods, or other engagements	Two & a half.
On effecting Insurance, whether on lives or property	Half.
On settling Insurance claims losses and averages of all class, whether on lives or property and on recoveries of returns of premium	Two & a half.
On attending the delivery of Contract Goods	Two & a half.

BANKING BUSINESS

On letters of credit granted	Half.

SHIPPING BUSINESS

On negotiating Bottomry or Respondentia Bond	Two & a half
On Ship's disbursements	Two & a half.
On Ship's disbursements when no outward Commission on Freight or Passage Money is earned	Five.
On the amount of Freight or Passage Money earned by Ships, by charter or otherwise whether the same shall pass through the Agent's hand or not	Five.
On receiving Passage Money by Ships entered inwards	One
On realising Freights	Two & a half.

	Per Cent.
When the Commission of 2½ per cent. on the Inward Freight paid, at Home or in Madras, does not in the case of Steamers *via* the Suez Canal exceed Rs. 100, then that sum shall be charged.	
On arranging and superintending the transhipment of Cargo, on the Amount of Freight so re-engaged	Five.
On the management of Vessels chartered elsewhere for the conveyance of Coolies or Troops, on account of Passage Money	Two & a half.
On landing and re-shipping Goods from any Vessel in distress, or on landing and selling by auction damaged Goods from any such Vessel, and acting as Agent for the Master on behalf of all concerned, on the declared value of all such Goods as may be re-shipped, and on the net proceeds of all such Goods as may be publicly sold	Two & a half.
On money expended, *i.e.*, on all disbursements made in efforts to save Ship or cargo	Two & a half.
That brokerage at the rate of *half* per cent. be an accepted charge on all freight	
Brokerage on a forward contract shall be payable on the completion of the transaction	
The conversion into Indian currency of sterling freight payable in Madras shall, unless otherwise stipulated, be made at the rate for Bank Bills on London payable on demand; and the rate ruling at the close of a Mail shall be the rate applicable to such purpose during the subsequent week	

H. WADDINGTON,
Secretary.

SUNDAYS AND CHARTER-PARTY HOLIDAYS
IN
RELATION TO MERCANTILE CONTRACTS

The following Ruling was adopted at a General Meeting of the Madras Chamber of Commerce held on the 29th April, 1902:—

Goods falling due for delivery on a Sunday, or on a Charter-Party and Shipping Holiday, must be delivered on the day previous to the Sunday or the Charter Party and Shipping Holiday, as the case may be.

NON-WEATHER-WORKING LAY DAYS IN MADRAS

(*Amended at a meeting on the 25th May*, 1926.)

The following Rule defining non-weather-working lay days in Madras was adopted at the General Monthly Meeting of the Madras Chamber of Commerce held on the 26th July, 1910:—

"During inclement weather, the Committee of the Madras Chamber of Commerce, in consultation with the *Deputy Conservator of the Port*, will decide as to what may or may not be considered a weather-working day."

N.B.—The procedure under this Rule is to be as follows :—

"When the parties interested cannot agree as to whether a day is a weather-working day or not, the matter shall be represented on the same day to the Committee of the Chamber of Commerce, and if the Committee and the Deputy Conservator of the Port agree that, by reason of inclement weather, the day should be declared a non-weather-working day, the Committee shall forthwith declare it to be so, and place it on record for further reference if necessary."

CARRIAGE OF GOODS BY SEA ACT, 1925

Article III, Paragraph 6 of the above Act, reads as follows:—

"Unless notice of loss or damage and the general nature of such loss or damage be given in writing to the carrier or his agent at the port of discharge before or at the time of the removal of the goods into the custody of the person entitled to delivery thereof under the contract of carriage, or, if the loss or damage be not apparent, within three days, such removal shall be *prima facie* evidence of the delivery by the carrier of the goods as described in the Bill of Lading. The notice in writing need not be given if the state of the goods has at the time of their receipt been the subject of joint survey or inspection."

126049
Xh21:M86r
F9
N
...ERSITY LI...